A Revised Proposal for

POSITIONING ANDERSEN CONSULTING IN THE APPLICATIONS MANAGEMENT MARKET

Submitted to:

Andersen Consulting

January 13, 1993

Submitted by:

INPUT

The Atrium at Glenpointe
400 Frank W. Burr Boulevard
Teaneck, New Jersey 07666
201-801-0050
Fax: 201-801-0441

POSITIONING ANDERSEN CONSULTING IN THE APPLICATIONS MANAGEMENT MARKET

I. BACKGROUND AND OBJECTIVES

Andersen Consulting is developing a positioning strategy for Applications Management services in the U.S. Applications Management is the provision of life cycle support for client applications, including specified levels of services and results. (This definition is essentially identical to the usage by INPUT in its Professional Services and Outsourcing Programs of syndicated research; see Appendix 1.)

Andersen needs answers to some fundamental questions affecting Applications Management in order to fully develop its strategy. Andersen issued an RFP on January 5, 1993 and has requested that INPUT propose a research approach to address these questions.

II. SCOPE

[Note: This section is intended to include all of the issues raised in the Andersen RFP under "Research Objectives". In addition, INPUT has added or made explicit other issues, which in its opinion, are also important to understand; INPUT's additions should have no material impact on project time or expense. INPUT's additions are in italics.]

The study should address the following issues:

- What is the size and expected growth of the Applications Management market *over the next five years?* How do these figures vary by type of application (new, legacy) and by platform (mainframe, mid-range and client/server)? *What are the overall forces driving -- or holding back -- this market?*

- What are the principal buyer values or requirements for using these types of services? *How do buyer values differ by buyer type, especially if the buyer is IS versus a functional department?*

- *What process is gone through -- and which units are involved -- to determine whether applications management or an alternative is to be explored? Are there vendor "short lists" and, if so, what are the criteria -- formal or informal -- for a vendor getting on them?* What is the decision-making process for awarding an Applications Management contract? How important are the different decision criteria, such as pricing versus. experience?

- Is the term "Applications Management" an appropriate one? *Do customers and prospects understand it? Is there a common understanding? Are there better or alternate terms?*

- Who are the major competitors? What is the market's awareness and perception of their capability, image, and credibility? How does Andersen compare (and differ)? How can Andersen leverage its standing in the market

- Are there significant differences in the above issues by industry (specifically products, financial services, state and local government, health care, telecommunications and utilities)?

III. METHODOLOGY AND CONDUCT OF THE WORK

INPUT agrees with Andersen's breaking the work into qualitative and quantitative segments:

- Qualitative: Four focus groups and five face-to-face interviews with CEOs.
- Quantitative: 180 telephone interviews.

In addition, INPUT would propose that overall market sizing and motivation draw on the analysis of Applications Management from INPUT's Outsourcing Program. (See material in Appendix 2.) This data would be further expanded and modified for the needs of this study.

Phase 1: Qualitative

During this phase the issues in "Scope" (as well as others) will be thoroughly explored and understood. This will provide Andersen a good "feel" for marketplace needs and directions. It is unlikely that this phase will be sufficiently precise to develop numeric measures of size and direction.

INPUT suggests that the four focus groups be divided geographically (probably the New York City area and Los Angeles).

INPUT recommends that two of the focus groups be made up of IS executives and two be made up of function heads. (The overall totals for IS function heads will be approximately 50-50; Fortune 500-type firms will be recruited.

- There will be more common ground to explore.
- More importantly, in many organizations the IS and functional executives are in conflict; in fact some of the opportunities and roadblocks involving Applications Management are because of these roadblocks. Because of this, INPUT believes that there will be a more open discussion if the "enemy" is not present.

INPUT recommends that Andersen's name not be associated with the research in either phase, in order to avoid respondent bias.

The focus groups will be videotaped and audiotaped. Audiotapes will not be transcribed.

INPUT will schedule seven face-to-face interviews. All of these will be conducted if their are no cancellations or rescheduling. INPUT recommends this safety margin when dealing with this level of executive. INPUT also believes that in some cases somewhat lower level executives may be substituted for the CEO on short notice; INPUT will review such substitutions with Anderson for approval. INPUT recommends that these interviews be accepted, given the very compressed timeframe of this study face-to-face. Interviews will be audiotaped, unless the respondent objects.

There will be a kick-off meeting in INPUT's office in Teaneck, NJ during the first week of the project. One of the purposes at that meeting will be to discuss the utility and feasibility of constructing one or more diagrams or charts to serve as interview aids during the qualitative and quantitative phases. Exhibit 1 is an analogous aid which was used to lead respondents through an otherwise very complex set of networking issues.

INPUT will prepare recruitment scripts and interview guides and Andersen will have an opportunity to review them.

INPUT will prepare a report which will be a summary of findings from the qualitative phase. In addition, the issue information from phase 1 will be used to design the questionnaire for phase 2.

INPUT will make a presentation of results to Andersen in Chicago.

Phase 2: Quantitative Research

Phase 2 will be a telephone survey of IS executives and function heads. This survey will have the following objectives:

To provide more structured information on decision-making and vendor assessments.

To provide quantitative data on selection criteria and vendor ratings.

To provide supplementary information to further adjust INPUT forecasts.

To provide industry breakouts.

INPUT recommends that 180 telephone interviews be conducted; this would allow for 30 interviews per industry, which would allow for conclusions to be drawn by industry.

- The interviews can be further segmented by company size within industry to provide a representative sample.
- Companies can also be classified by size groups across industries. A sample of 180 is not large enough to provide conclusions on company size within an industry (e.g., if an industry is divided into "large" and "medium" companies, a sample of 15 is not large enough for conclusions in most cases.)
- If it is important to understand size within industry issues, then the sample sizes should be increased to at least 25 companies per cell.

Interviews will be 20-30 minutes long.
INPUT will draft a questionnaire based on results from the qualitative phase. This will be reviewed with Andersen and tested.

Respondents identities will not be associated with specific answers (Andersen will be supplied with a list of companies interviewed and a distribution of titles). Andersen's sponsorship will not be revealed. As an incentive to take part in the study respondents will be supplied with a brief summary of the study's findings; this summary will not include sensitive material and will be reviewed with Andersen before release.

After the interviews have been completed, the results will be tabulated and a report prepared. A copy of the data diskette as well as copies of the actual completed questionnaires will be supplied to Andersen if requested, with respondent identifiers removed.

INPUT's report will contain data analysis, findings and recommendations. INPUT will also make a presentation of results to Andersen in Chicago.

In both phases, INPUT will report to Andersen daily on results of recruiting and interview distribution. Andersen will resp

IV. DELIVERABLES

In the course of this project Andersen will receive the following deliverables:

- Draft and final recruitment scripts for the focus groups and face-to-face interviews
- Draft and final focus group discussion guides
- Draft and final face-to-face discussion guides
- Audio and video tapes from focus groups (Input will keep copies also)
- Audio tapes from on-site interviews (assuming respondents approve)
- Preliminary and final reports from the qualitative phase
- Draft and final questionnaire
- Copies of the completed questionnaires, if desired (with identifiers removed)
- Data diskette with questionnaire data, if desired (with identifiers removed)
- Hard copy of questionnaire tabulations, if desired
- Preliminary and final reports for the quantitative phase
- Two presentations and related materials

V. QUALIFICATIONS

INPUT is well-qualified to conduct this study. INPUT's qualifications fall into the following categories:

- INPUT's data and analysis on the Applications Management market.
- INPUT's prior work with Andersen.
- INPUT's experience in studies of this kind.
- The staff assigned to this project.

A. INPUT's Data and Analysis on Applications Management

INPUT already provides extensive data on Applications Management and related services in its subscription programs covering Outsourcing, Systems Integration and Professional Services. Andersen is already a subscriber to these services. Appendix 2 summarizes these offerings.

The research and analysis which goes into these programs provides INPUT with an excellent foundation of knowledge which can be applied in this study for

- Developing focus group scripts and conducting the focus groups.
- Developing questionnaires, especially value lists.
- Assessing the competitive environment.
- Making recommendations

B. Prior Work with Andersen

In the last six months INPUT has worked on (or is still working on) several studies for Andersen. Besides serving as references, this also provides INPUT with insight into Andersen's needs generally as well as particular issues, e.g., what Andersen defines as the "product" group.

Several years ago INPUT also worked on a study somewhat similar to this study. This work became part of Andersen's published report, "IS Management in the Year 2000". This research also called for high level interviews and subsequent analysis.

C. INPUT's Experience in Projects of this Type

INPUT conducts about 100 custom research assignments a year, most of them involving primary research. INPUT has considerable experience in analyzing new and/or evolving markets and extracting useful conclusions for the client from the research process. Much of INPUT's research involves understanding the practices and motivations of key decision makers. Appendix 3 contains descriptions of several recent projects which involved interviewing key decision makers on changing markets.

INPUT's experience allows it to deal with a "fast track" project such as this.

D. Project Staffing

The Project Director for this study will be Thomas O'Flaherty. Mr. O'Flaherty has directed recent projects for Andersen and will be a "hands on" project director. Mr. O'Flaherty will be able to draw on his experience in directing several hundred custom studies involving information services.

Other key members of the project team include:

- J.P. Richard, Vice President and Director of INPUT's Outsourcing Program. He will provide assistance in framing issues and preparing reports.
- John McGann, Principal Consultant. Mr. McGann has been the principal researcher on a variety of professional services reports and studies.
- Joanne Ponnwitz, Associate Consultant. Ms. Ponnwitz directs the research and analysis for many of INPUT's primary research projects.

They will be assisted by other INPUT staff as required. Their biographical summaries are attached in Appendix 4.

VI. SCHEDULE

Andersen's desired schedule allows for almost no slippage or acts of God, such as snowstorms. INPUT believes that Andersen's needs would best be met by retaining February 22 as an internal date, but not promising the finished report until March 1. This would allow for slippage and probably produce a superior piece of analysis as well.

INPUT day-day-day schedule is shown below. In the qualitative phase especially, any slippage is unlikely to be made up.

(More detail than usual)

Date	Activity
Jan 18	Contract award
Jan 19	INPUT prepares focus group and face-to-face recruitment scripts; begins recruitment; sends scripts to Andersen for review
Jan 21	Kick-off meeting with INPUT and Andersen staff in Chicago
	Recruitment scripts modified if required; draft focus group and face-to-face discussion guides sent to Andersen.
Feb 9-Feb 11 (approx)	Focus groups held (New York and Los Angeles). INPUT and Andersen will have an informal progress review (12-6)
Jan 25-Feb 12	Face-to-face interviews conducted
Feb 11-Feb 15	Analysis of qualitative results
Feb 18	Review of draft report for the qualitative phase with Andersen. (For purposes of time, INPUT prefers that this review takes place in INPUT's office in Teaneck, NJ.)
Feb 22	Submission of final report for the qualitative phase.
	Submission of draft questionnaire to Andersen for review; begin testing questionnaire
	[Note: The questionnaire could be prepared a week earlier; however, this would interfere with the completion of the qualitative analysis and report preparation, for which there is little time slack.]

Feb 24- Mar 12	Telephone interviews conducted
Mar 5 (approx)	Progress review via conference call
Mar 10- Mar 16	Data cleansing, input and preliminary analysis.
Mar 17- Mar 19	Analysis and preparation of quantitative exhibits
Mar 24	INPUT sends preliminary quantitative report to Andersen
Mar 26	INPUT receives feedback from Andersen (via worksession or conference call)
Mar 31	INPUT delivers final quantitative report

VII. FEES

INPUT's professional fee is broken into the following parts, per Andersen's request:

Qualitative Phase	$48,500	
Out-of-pocket Expense	15,000	
Subtotal		$63,500
Quantitative Phase	$42,500	
Out-of-pocket	5,000	
Subtotal		$47,500
Grand Total		**$111,000**

Phase 1

INPUT's professional fee for Phase 1 is $48,500.

One-half of INPUT's professional fee for the study ($24,250) is due and payable upon authorization of the study; the remainder at the time of the presentation of results.

Out-of-pocket expenses (telephone, production, and travel) are in addition to the professional fees and are not expected to exceed $15,000.

Phase 2

INPUT's professional fee for Phase 1 is $42,500.

One-half of INPUT's professional fee for the study ($21,250) is due and payable upon authorization of the study; the remainder at the time of the presentation of results.

Out-of-pocket expenses (telephone, production, and travel) are in addition to the professional fees and are not expected to exceed $5,000.

This proposal will remain valid for thirty days, unless extended in writing. Andersen Consulting can initiate the study by providing authorization in the blocks provided below.

AUTHORIZATION

To authorize the project as specified, please sign and return one copy of this proposal, along with the initial fee. Upon acceptance by INPUT, a countersigned copy of the proposal will be returned to Andersen Consulting.

AUTHORIZED BY:	ACCEPTED BY:
Andersen Consulting	**INPUT**
Name	Name
Title	Title
Date	Date

CLIENT CASE STUDY (1 example)

Transforming Internal Capabilities into a Worldwide Business

The Client

A multi-billion dollar corporation

Client Objectives

The client's telecommunications network is very large (tens of thousands of nodes) and supports external customers. The network will need extensive investment throughout the 1990s in order to remain technically and commercially competitive: should this investment be made?

The client needed to thoroughly understand market issues in order to decide if it should aggressively pursue external customers.

- What are market directions concerning the provision of basic circuits?
- What types of enhanced communications facilities are required
- Could the client become a player in providing communications services, such as electronic mail or EDI?
- Could the client profitably offer network-based services such as network management, interLAN services or vertical applications networks?
- Is the IS or telecomm department still the customer?
- How does the client compare against current and potential competitors?
- What are the differences in opportunities in the U.S., Europe and the Pacific Rim?

INPUT's Role

INPUT worked with the client over a four month period.

- INPUT interviewed client management to identify capabilities, plans and business issues. Several critical problems and opportunities were identified.
- INPUT developed a unique one-page schematic of the company's alternate courses of action, which clarified its own direction and was an invaluable means of testing market reaction.
- INPUT developed a research program for interviewing decision makers in major corporations around the world.
- The research direction was modified several times as phased, preliminary findings were reviewed with the client.
- INPUT prepared a final report which summarized the study's process, findings and recommendations.

Client Benefits

INPUT's study addressed all of the clients objectives. In the course of the study many of the client's original assumptions were modified or redirected. The client developed a new business plan which integrated its network capabilities with others capabilities. The client commented after the study's completion that their planning would have been much less productive without INPUT's unique market-driven analysis and recommendations.

CLIENT CASE STUDY

Determining Functional Unit Systems Requirements

The Client

A large technology company

Client Objectives

The central information systems department of large technology company needed to develop a plan to reverse the erosion in its "market share" being lost to:

- Divisional information systems groups; and,
- External information service vendors, primarily outsourcing and systems integration firms.

INPUT's Role

Over twelve months INPUT provided analysis and advice, including:

INPUT profiled a group of information services firms for the client -- both key competitors as well as those that were potential models. The profiles identified critical success factors and organizational characteristics, focusing on those that could be potentially transferred to the client's organization.

INPUT prepared the specifications for the first-ever analysis of all information services suppliers to the company. (The data collection and analysis was prepared by client staff.)

INPUT and client staff interviewed customer divisions to ascertain:

- How information technology helped the underlying business
- Applications requirements and plans
- Reasons for using/not using external resources
- An assessment of existing and potential suppliers

In the course of the study INPUT served as the only non-client member on a number of committees and task forces.

Client Benefits

INPUT made recommendations on:

- Changes in organization structure and skills sets
- Strategic and tactical positioning to meet the challenges of external vendors
- Advice on specific divisional problems and opportunities.

The overall benefit to the client was understanding how effective information services firms operated and how some of these practices could be transferred. Many actions were begun to make this happen.

As a follow on, INPUT assisted one business unit in embedding many of the study's findings into its business plan and business practices.

PDF copy

Presentation

Application Management

Exploratory Research:

Qualitative Findings

April 7, 1993

INPUT

The Atrium at Glenpointe
400 Frank W. Burr Boulevard
Teaneck, New Jersey 07666

201-801-0050
Fax: 201-801-0441

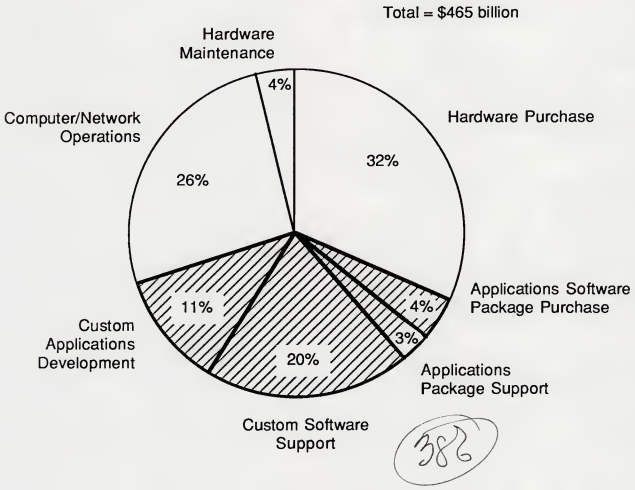
APPLICATION MANAGEMENT PRESENTATION OUTLINE

- The Opportunity
- Study Objectives
- Study Methodology
- Application Management: What is it?
- Executive Involvement in Application Management
- Application Management Payoff
- Current Sources of Application Management
- Vendor Selection Criteria
- Vendor Recognition and Assessment
- Summary

THE APPLICATION MANAGEMENT OPPORTUNITY

- Applications-related expenditures are large
- Vendor penetration varies significantly, and is especially low in software support
- IS budgets are flat
- Functional departments are assuming greater control over applications

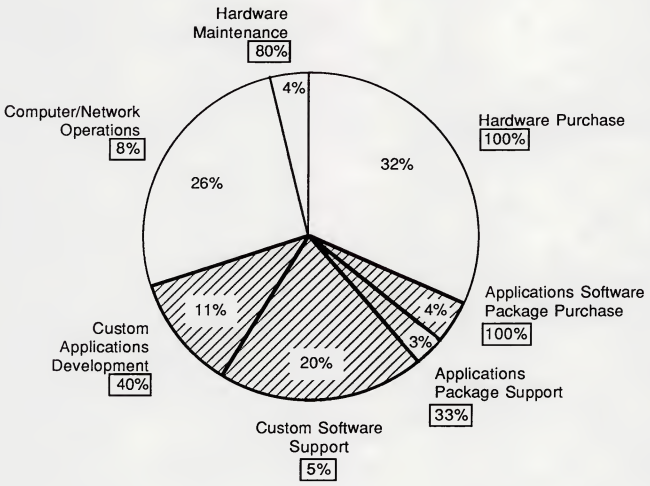
Selected U.S. IT Expenditures (1992)



= Applications-related expenditure

Excludes: Non-application software, processing services, facilities and communications costs

Selected U.S. IT Expenditures and Percent Held by Vendors



[%] = Percent of revenue held by by vendors

= Applications-related expenditure

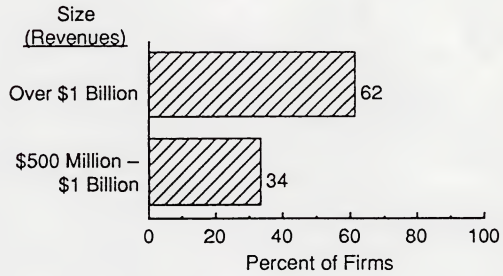
Excludes: Non-application software, processing services, facilities and communications costs

YA2.3
3/93

Selected U.S. Information Systems/Services Expenditures by Supplier (1992)

	Expenditures by Supplier ($ Billion)			
	In-House	Vendor	Total	Vendor %
Applications-Related				
· Applications Packages	0	$20	$20 (4%)	[100%]
· Applications Package Support	10	5	15 (3%)	[30%]
· Applications Development Custom	30	20	50 (11%)	[40%]
· Custom Application Support	85	5	90 (20%)	[5%]
Hardware Related				
· Hardware Purchase	0	150	150 (32%)	[100%]
· Maintenance	4	16	20 (4%)	[80%]
· Operations	110	10	120 (26%)	[8%]
TOTAL	$239	$226	$465 (100%)	[49%]

USER DEPARTMENTS WITH MORE APPLICATIONS DECISION MAKING THAN IS



Source: Interviews with 67 IS departments

STUDY OBJECTIVES

- Receptivity to service
- Receptivity to name ("Application Management")
- How is application management supplied now? Future?
- Vendor recognition
- Differences between functional management and IS management

STUDY METHODOLOGY

- Focus groups
  - Functional executives (two groups)
  - IS executives (two groups)

- One-on-one interviews

- Structured topic guide (in synch with outline)

- Industry focus
  - Manufacturing
  - Financial services
  - Telecommunications
  - Retail/wholesale
  - Hospitals

- Generally, over $500 million in sales (or equivalent)

- Functional: Executive management and their direct reports

- IS: CIO or equivalent

Met Life
Toshiba
Equitable
~~Carter Hawley Hale~~
Litton
Capital Cities/ABC
Chase
Lever Bros
Pacific Ent
Int'l Nederlander Bank

INPUT

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Andersen Consulting
Application Management Research
Focus Group Participant List

Los Angeles - MIS
Thursday, February 18,1993 - 8:00 PM

	Participant	Company	Title	Reports To	Sales/Assets	Industry	Client
1	Bill Fletcher	LA Times	Dir Business Systems	VP Finance	$1B Sales	Products	
2	Doug Freund	Arden Group	VP/Director IS	CFO	$250M sales	Retail	
3	Greg Gibbons	Sees Candy	Manager IS	General Manager	$200 M sales	Food	
4	David King	Sun Life Insurance	VP/Dir Systems	CEO	$15B assets	Insurance	
5	Jim Lytle	Capital Cities/ABC	Dir IS	Comptroller	$3B sales	Entertainment	Y
6	Albert Ma	Mercury Insurance	MIS Director	President	$1B assets	Insurance	
7	Bill Tanner	Kal Kan	VP/Director IS	Comptroller	$250M sales	Food	Y
8	Shahram Sellehi	Magnatek	Director IS	Chief Admin Officer	$1.2B sales	Products	
9	Robert Casanova	Litton Industries	VP/Dir Corp IS	Controller	$5B revs	Products	Y
10	Bruce Eden	Pacific Enterprises	Director IS	SVP Admin Svs.	$6.6B revs	Products	Y
11	Wes Anderson	Northrup Corp.	Project Lead Corporate	VP IS	$6B sales	Products	

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Andersen Consulting
Application Management Research
Focus Group Participant List

Los Angeles - Functional
Thursday, February 18,1993 - 6:00 PM

	Participant	Company	Title	Reports To	Sales/Assets	Industry	Client
1	Robert Viamonte	Pinkerton Security & Investment Services	CFO	CEO	$700M revs	Fin Svs.	
2	Richard Lamuega	LA Nuthouse	VP Controller	CEO	$120M sales	Retail	
3	Joseph Coulombe	Pacific Enterprises	EVP Administration	CEO	$6.6B revs	Products	
4	Craig Smith	First Fed Bank of Cal.	VP Mktg Services	EVP	$3.5B revs	Fin. Svs.	

4/6/93

Andersen Consulting
Application Management Research
Focus Group Participant List

New York - MIS
Tuesday, February 9,1993 - 6:00 PM

	Participant	Company	Title	Reports To	Sales/Assets	Industry	Client
1	Bruce Goodman	Met Life	SVP/CIO	EVP Corp.	$1B+ assets	Insurance	
2	Victor DiRiveria	Fuji Bank	VP Sys. Ops	SVP Admin.	$1B+ assets	Banking	
3	Arnie Mendelsohn	Toshiba America	VP/Dir IS	SVP Finance	$30B sales	Products	Y
4	Jules Cohn	Barneys	CIO	COO	$300M sales	Retail	
5	Robert McNulty	Equitable Life	CIO	COO	$135B assets	Insurance	Y
6	Gerhardt Karba	Voest Alphine Int.	Dir IS	President	$250M sales	Products	
7	Jack Wagner	Dime Savings	CIO	Pres/COO	$10B assets	Banking	
8	Dennis Healey	Emigrant Savings	Sr. VP MIS	Vice Chrmn	$7B assets	Banking	
9	Alfred Palmo	Restaurant Assoc.	MIS Dir	CFO	$250M sales	Retail	
10	Myron Melnyk	G/III Apparel	MIS Dir	CFO	$250M sales	Mfg-Clothing	

4/6/93

Andersen Consulting
Application Management Research
Focus Group Participant List

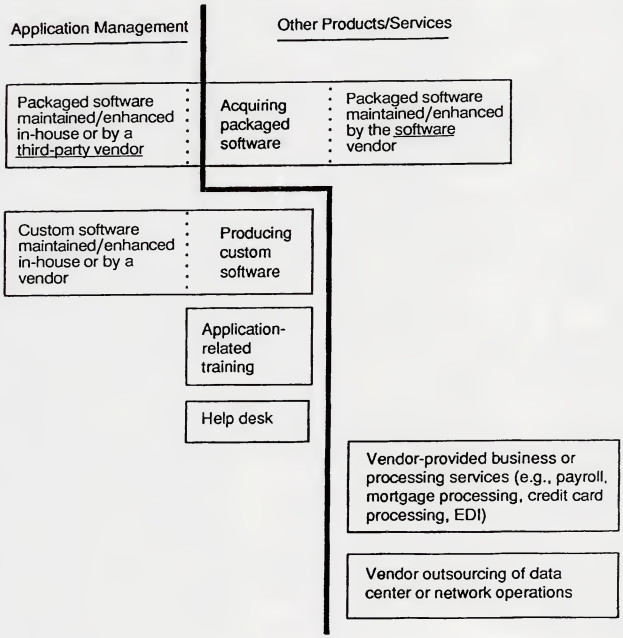
New York - Function Heads
Tuesday, February 9,1993 - 12:00 PM

	Participant	Company	Title	Reports To	Sales/Assets	Industry	Client
1	Tom Powell	A&H Sportswear Co.	CFO	CEO/Chairman	$100M sales	Products	
2	Clark Gray	Internat'l Nederlanden Group Bank	SVP Admin.	COO	$180 B assets	Banking	
3	Scott Hoyt	Carter Wallace	VP Product Mktg	Group VP Cons Prod.	$200M sales	Products	
4	Ned deBourmont	Toshiba America	Dir Finance	CFO (who does not speak English)	$1B sales (div)	Products	Y
5	Edward Creevy	Donn Kenny Inc.	CFO	CEO/Chairman	$125M sales	Products	

One-on-One

Chase	Sr VP (Vice Ch)
Nat West	Sr VP (Ch)
Lever Bros	VP (Equiv to EVP)
Johnson & Higgins	EVP (Ch)
Lipton Tea	Div Pres
St Luke-Roosevelt	Asst Admin

DIVISIONS BETWEEN APPLICATION MANAGEMENT AND OTHER PRODUCTS/SERVICES



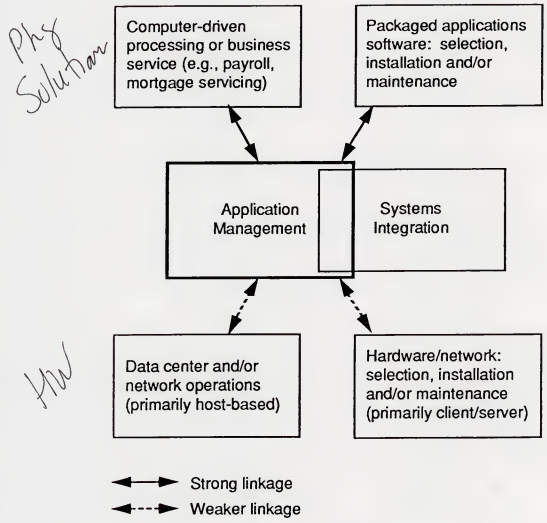
APPLICATION MANAGEMENT: WHAT IS IT?

- Executives are receptive to the concept of Applications Management
  - Functional executives see Application Management as a type of outsourcing
  - IS executives are nominally open to the concept, but are actually quite defensive

APPLICATION MANAGEMENT: WHAT IS IT? (Cont.)

- Generally, Application Management does not seem a naturally cohesive set of functions for both functional executives and IS executives.
  - Application Management is seen as overlapping or linked to other IS-oriented services and solutions

Application Management Linkages



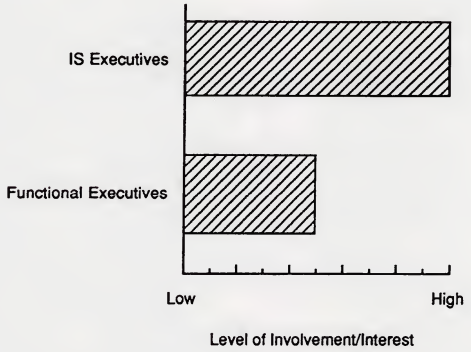
APPLICATION MANAGEMENT: WHAT IS IT? (Cont.)

- Executives are not responsive to "Application Management" as a term.
  - "Application Management" summons up few images.
  - Executives have few alternatives to offer.

INVOLVEMENT IN APPLICATION MANAGEMENT: FUNCTIONAL AND IS EXECUTIVES

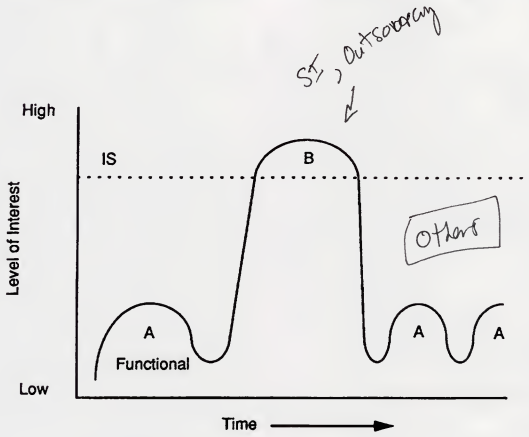
- Functional executives: Episodic involvement
  - Generally low level of ongoing involvement
    - -- Delegate responsibilities inside department; and/or,
    - -- Share responsibilities with or rely on IS
  - Higher level of involvement if there is an immediate problem/opportunity and/or if the functional executive has an IS background or a strong interest in IS.
- IS executives' position is more straightforward: "It's my job".

APPLICATIONS MANAGEMENT: LEVELS OF INVOLVEMENT/INTEREST



no scale

APPLICATION MANAGEMENT: TYPICAL LEVEL OF INTEREST/ INVOLVEMENT IN AN ENTERPRISE



A = Change/problem in existing application
B = Application-related opportunity

Recruitment

APPLICATION MANAGEMENT PAYOFF

- For functional executives:
  - Keep business running
  - Secondarily, make significant improvements
- For IS executives: Keep jobs
- Order of magnitude improvement?
  - No immediate perception
  - Contrast to SI or computer systems outsourcing

SOURCES OF APPLICATION MANAGEMENT

- IS as supplier is still the rule
- Executives provided few examples of "pure" application management
  - "Body shop" maintenance
  - Processing services
  - SI plus follow-on
- Both kinds of executives see vendors as credible suppliers of application management services.

VENDOR SELECTION CRITERIA

- Critical elements (for both functional Executives and IS executives)
  - Industry/applications knowledge
  - Cost
  - Vendor stability
- Additional criteria from IS executives
  - Quality of people assigned to project
  - Technical expertise

VENDOR RECOGNITION AND ASSESSMENT

- Unassisted recall

- Based on overall SI/professional services image

- Mainly direct experience;
  Some second-hand experience

THREE TIERS OF RECOGNITION

Level of Identification	Vendors
1. Strong	Andersen, EDS
2. Weaker, but widespread	IBM
3. Blurred, fragmentary	Other Big 6
	DEC
	CSC
	Specialists

Retail (Bass)
Apparel (KSA)
Banking (Newtrend)

Others -
eg Microsoft
PC Stores

APPLICATION MANAGEMENT STRENGTHS AND WEAKNESSES

	Andersen	EDS	IBM
Strengths	· People	· Industry knowledge	· Resources
	· Industry knowledge	· Ability to deliver	
	· Ability to Deliver		
Weaknesses	· Cost	· Cost	· Industry knowledge
	· Youth	· FM image	· Inflexibility
			· Mainframe/ hardware reputation
			· Size/ responsive-ness

"Outsourcing"

SUMMARY

- The application management opportunity is coming into focus.

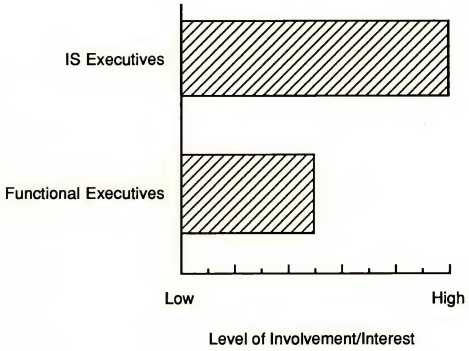
- Andersen Consulting is well-positioned to be a supplier.

SUMMARY Cont.

both Smaller Larger

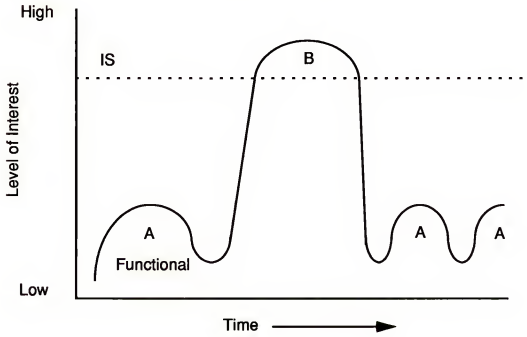
- Application Management is not clearly defined in buyers' minds.
  - Application management pieces are being performed, but usually not as an explicit whole.
  - Buyers also see application management as part of a larger selection of offerings.
- The payoff to application management is not well-visualized nor is it financially-driven (in contrast, for example, to systems operations outsourcing).
- Mid-level specifiers and gatekeepers in functional departments appear to be key to allowing vendors access to application management opportunities.
- IS is often well-placed to block vendors.

Application Management: Levels of Involvement/Interest



NJ
Tom O'Flaherty
YA2

Application Management:
Typical Level of Interest/Involvement in an Enterprise



A = Change/problem in existing application
B = Application-related opportunity

Data Center Outsourcing:
Typical Level of Interest/Involvement in an Enterprise

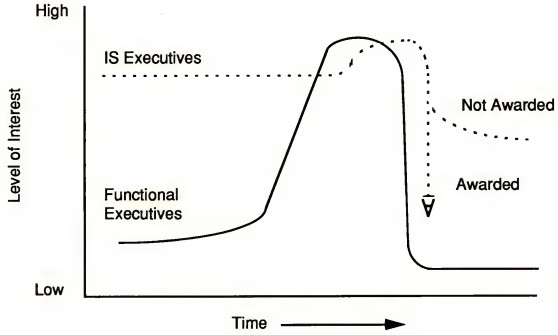
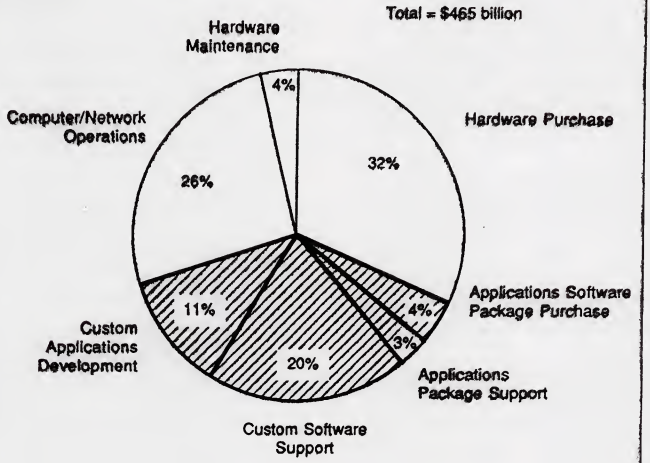


Exhibit 1

Selected U.S. IT Expenditures (1992)

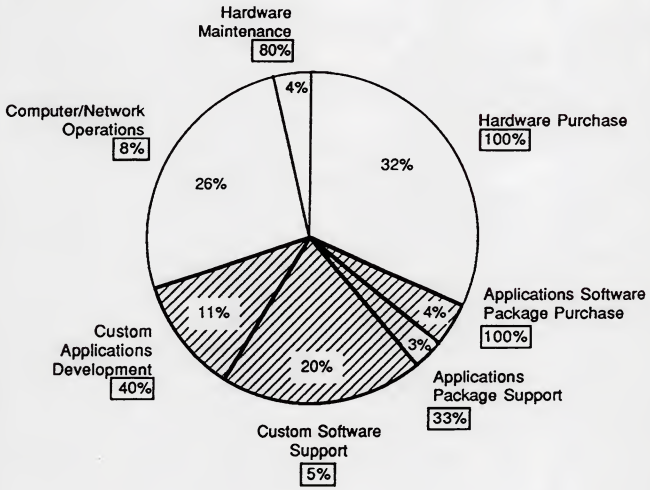


▨ = Applications-related expenditure

Excludes: Non-application software, processing services, facilities and communications costs

Exhibit 2

Selected U.S. IT Expenditures and Percent Held by Vendors



% = Percent of revenue held by by vendors

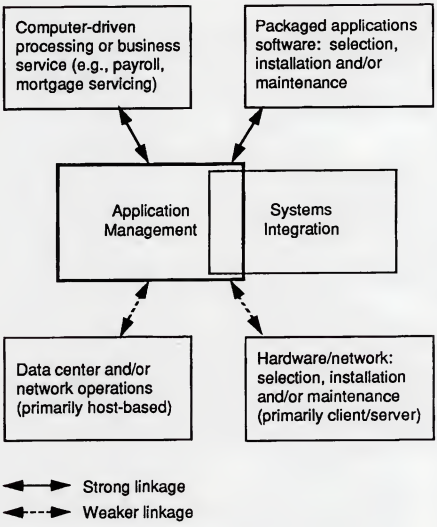
= Applications-related expenditure

Excludes: Non-application software, processing services, facilities and communications costs

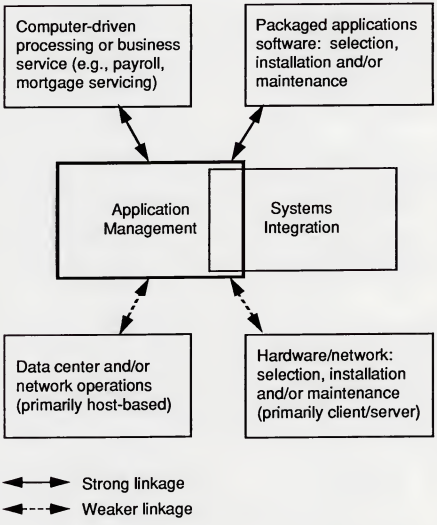
YA2.3
3/93

Exhibit 4

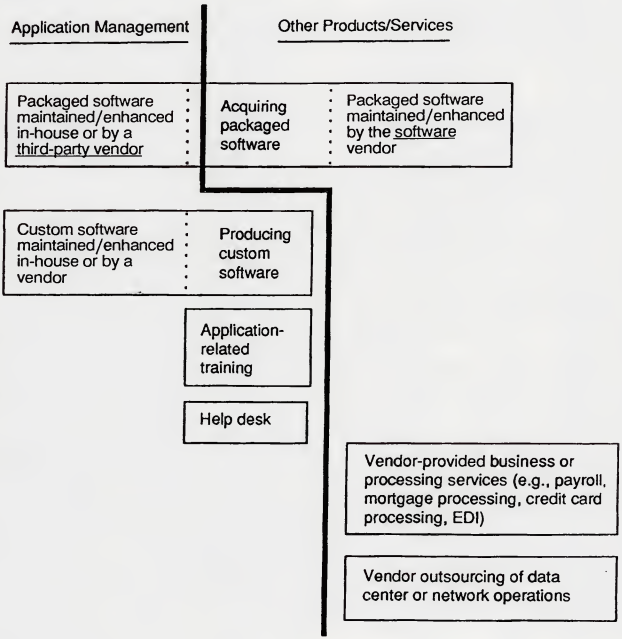
Application Management Linkages



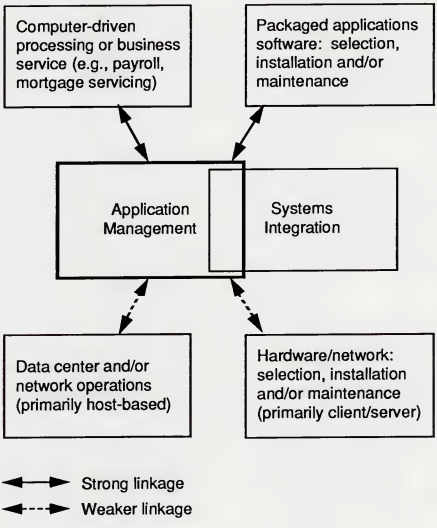
Application Management Linkages



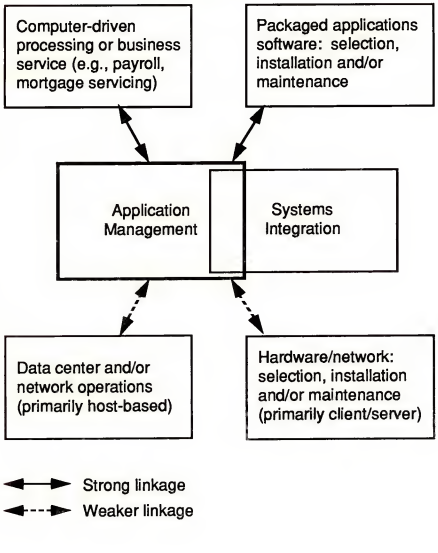
Divisions Between Application Management and Other Products/Services



Application Management Linkages

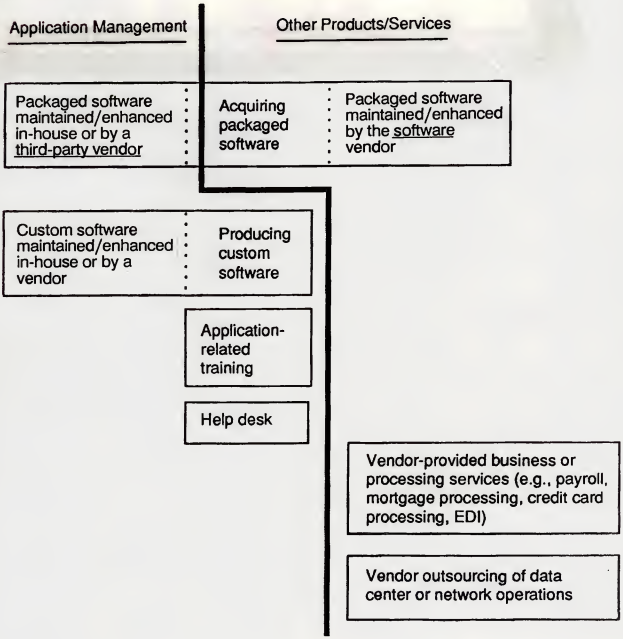


Application Management Linkages



INPUT

Divisions Between Application Management and Other Products/Services



INPUT

Atrium at Glenpointe, 400 Frank W. Burr Blvd., Teaneck, NJ 07666 (201) 801-0050
Fax (201) 801-0441

FAX TRANSMITTAL FORM

Date: Mar 30

To: Name: Scott Momsen

Tel./Location: 507-5666

Co.: Andersen

Fax No: 312-507-8111

From: Tom OPlaterp

Subject: Presentation Summary

Confidential: Y / N
Urgent: (Y) / N

Page: 1 of 8

File: Chron
Contact
Other:

Please give me any feedback

Re. Application Management

Ed Ward Ladendorff, President of Lipton (retired in 1992) Beverage Div

Considerable interaction with IS management to upgrade production reporting, inventory and warehouse and inventory systems.

- From his standpoint, top management is interested in a set of functions and think of what they can and can't (and want to do) in relation to those functions. The IS staff and heads of business units keep track of what the application systems can do and how they are being managed. It is necessary to have plans that involve business units and IS in relation to the computing applications; top management wants to know that such plans exist and their objectives make sense but doesn't want to get involved in the planning.

- Problems that arise generally involve understanding what top management wants to have done and what trade offs are possible. He doesn't want to spend time discussing how applications should be managed, changed, grown. He wants the IS management and business managers to react to orders to get something done in 5 months, for example. They might say that this will interrupt scheduled changes, create needs for more people or outside vendors, result in degraded systems. Top management could review their (IS and business managers) reasons, look over their application management, etc., or direct them to do it anyway for business reasons.

- In the future, he expects something like application management to be done in a way that provides more organized reactions to changing business needs and planning. When there is a need that warrants rapid response, such as a need for warehouse automation that went beyond the capabilities of in-house people, the staff that was responsible for current applications should be ready to work with or support vendors so that current applications could be "managed" without a set of activities that involve top management.

- If vendors could manage applications more effectively in terms of responding to changing business needs or taking advantage of new technology, then it might be wise to evaluate that alternative.

S.A. Ibrahim, Senior V.P. Chemical Bank

Reports to Vice Chairman, has responsibility for IS, financial planning and internal consulting group

- Has some familiarity with the concept of application management and feels that the concept is related to the current movement of IS responsibilities to user areas. Chemical is trying to accomplish the goals of application management through internal resources although the advice of strategic consultants is being sought and used.

- Problems exist in application management at Chemical because internal business units want to use outside consultants in an ad hoc way to meet a present business need without addressing overall IS considerations or business issues as would be done with an application management strategy.

- A more organized approach to the use of IS will come about in the future, and this will involve application management issues.

- Strategic consultants (like McKinsey or Booz Allen, not Andersen Consulting) could be involved in planning to that end. It is more likely that internal groups will be involved in actually managing applications, however.

The list of targets for this group are as follows:

Key titles:
CEO
President
COO
CFO
VP Finance (if highest)
VP Administration

VP mfg
VP operations ?
VP/GM ?

Industries:
Telecom → 1 ?
Financial Services → 6-8
-Big Banks
-Financial Markets → 3 ?
Products - 150 ?

Company Size:
→ Greater than $500 million sales or
Greater than $1B assets
With preference on $1Billion + in sales

Anderson

Breakdown of United States Market by Region (by State)

Central (13)

Illinois
Minnesota
Wisconsin
Michigan
Ohio
Indiana
Kentucky
Missouri
Kansas
Iowa
Nebraska
N. Dakota
S. Dakota

South (12)

Texas
Oklahoma
Arkansas
Louisiana
Mississippi
Tennessee
Alabama
Georgia
North Carolina
South Carolina
Florida
Puerto Rico

Northeast (13)

New York
New Jersey
Pennsylvania
Delaware
Maryland
West Virginia
Virginia
Connecticut
Massachusetts
Rhode Island
Vermont
New Hampshire
Maine

Pacific (13)

Washington
Oregon
California
Nevada
Arizona
New Mexico
Colorado
Utah
Wyoming
Idaho
Montana
Alaska
Hawaii

INPUT

Atrium at Glenpointe, 400 Frank W. Burr Blvd., Teaneck, NJ 07666 Tel. (201) 801-0050
Fax (201) 801-0441

January 22, 1993

To: Scott Morrison, Andersen

Fm: Tom O'Flaherty, INPUT

Sub: Focus Groups Composition

1. We notice that on your list of Andersen industries and titles that publishing/media/entertainment are not included. However, a number were on the list of the sample focus group list you provided us with. Since both NYC and LA have a good proportion of these, is it ok to use them?

2. We think that the titles for banking and insurance should be expanded to take into account industry-specific titles. Suggestions:

o Banking (VPs or above)

- Retail banking/branch operations
- Corporate banking
- Trust
- International banking
- Trading

o Insurance (VP probably ok, not as much title inflation)

- Claims
- Operations
- Chief Actuary (or equivalent)

3. I will send you a draft of the recruitment qualifier early Monday.

INPUT®

Atrium at Glenpointe, 400 Frank W. Burr Blvd., Teaneck, NJ 07666 (201) 801-0050
Fax (201) 801-0441

FAX TRANSMITTAL FORM

Date: Jan 25

Confidential: Y / N
Urgent: (Y) / N

To: Name: Scott Morris

Tel./Location: 312-507-5866

Co.: Andersen

Page: 1 of 6

Fax No: 312-507-8111

File: Chron
Contact
Other:

From: Tom O'Flaherty

Subject: Draft Screeners -

Attached are 2 slightly different drafts aimed at ① functional heads ② IS heads

ANDERSEN CONSULTING
ARTHUR ANDERSEN & CO., S.C.

Facsimile

Market Development
69 West Washington Street
Chicago, Illinois 60602
(312) 580-0069

This facsimile may contain *privileged and/or confidential information* intended only for the use of the addressee. If you are not the addressee or the person responsible for delivering to the person addressed, notify us by telephone (collect). Thank you.

1-25-93
Date

Charge Number

Office Number

Pages to Follow

Office to

INPUT
Company

Tom O'Flaherty
To

Scott Morrison
From

Return Original to Room Number

Office from

201-801-0441
Fax Number

Recipient Telephone Number

312 507-5666
Sender's Telephone Number

Priority
☒ Immediate ☐ Overnight ☐ Normal

Please check appropriate box if distribution list is attached.
☐ Send with distribution list ☐ Send without

Comments

Tom,

You will notice that I have pushed back a few dates. This is to provide me with some cusion on my end. I would still like to aim for our orisinal fieldwork dates. Also, some of the elements on the Schedule apply to other phases of this project

Scott.

If any problems result with this transmission, please call:

Operator

Telephone Number

FAX (312) 507-8111: under 10 pages
FAX (312) 807-2548: 10-plus pages

INPUT®

Atrium at Glenpointe, 400 Frank W. Burr Blvd., Teaneck, NJ 07666 (201) 801-0050
Fax (201) 801-0441

FAX TRANSMITTAL FORM

Date: Jan 20

To: Name: JPR

Tel./Location:

Co.:

Fax No:

From: JAR

Subject:

Confidential: Y / N
Urgent (Y) / N

Page: 1 of 1

File: Chron
Contact
Other:

Janice L. Kriegman
(201) 301-1429

ANDERSEN CONSULTING
ARTHUR ANDERSEN & CO., S.C.

JP

100 Campus Drive
P.O. Box 765
Florham Park, New Jersey 07932
Facsimile: (201) 301-1066

This is the marketing person for Appl Mgt. You may want to call & introduce yourself. We'll keep you informed.

INPUT

Atrium at Glenpointe, 400 Frank W. Burr Blvd., Teaneck, NJ 07666 Tel. (201) 801-0050
Fax (201) 801-0441

January 13, 1993

Mr. Scott Morrison
Andersen Consulting
69 W. Washington St.
Chicago, IL 60602

Via fax: 312-507-2548

Dear Scott:

Attached is INPUT's revised proposal on Positioning Andersen Consulting in the Applications Management Market.

If you have any questions or comments, please call me.

Sincerely,

Thomas O'Flaherty
Vice President

A Revised Proposal for

POSITIONING ANDERSEN CONSULTING IN THE APPLICATIONS MANAGEMENT MARKET

Submitted to:

Andersen Consulting

January 13, 1993

Submitted by:

INPUT

The Atrium at Glenpointe
400 Frank W. Burr Boulevard
Teaneck, New Jersey 07666
201-801-0050
Fax: 201-801-0441

POSITIONING ANDERSEN CONSULTING IN THE APPLICATIONS MANAGEMENT MARKET

I. BACKGROUND AND OBJECTIVES

Andersen Consulting is developing a positioning strategy for Applications Management services in the U.S. Applications Management is the provision of life cycle support for client applications, including specified levels of services and results. (This definition is essentially identical to the usage by INPUT in its Professional Services and Outsourcing Programs of syndicated research; see Appendix 1.)

Andersen needs answers to some fundamental questions affecting Applications Management in order to fully develop its strategy. Andersen issued an RFP on January 5, 1993 and has requested that INPUT propose a research approach to address these questions.

II. SCOPE

[Note: This section is intended to include all of the issues raised in the Andersen RFP under "Research Objectives". In addition, INPUT has added or made explicit other issues, which in its opinion, are also important to understand; INPUT's additions should have no material impact on project time or expense. INPUT's additions are in italics.]

The study should address the following issues:

- What is the size and expected growth of the Applications Management market *over the next five years?* How do these figures vary by type of application (new, legacy) and by platform (mainframe, mid-range and client/server)? *What are the overall forces driving -- or holding back -- this market?*
- What are the principal buyer values or requirements for using these types of services? *How do buyer values differ by buyer type, especially if the buyer is IS versus a functional department?*
- *What process is gone through -- and which units are involved -- to determine whether applications management or an alternative is to be explored? Are there vendor "short lists" and, if so, what are the criteria -- formal or informal -- for a vendor getting on them?* What is the decision-making process for awarding an Applications Management contract? How important are the different decision criteria, such as pricing versus. experience?
- Is the term "Applications Management" an appropriate one? *Do customers and prospects understand it? Is there a common understanding? Are there better or alternate terms?*
- Who are the major competitors? What is the market's awareness and perception of their capability, image, and credibility? How does Andersen compare (and differ)? How can Andersen leverage its standing in the market
- Are there significant differences in the above issues by industry (specifically products, financial services, state and local government, health care, telecommunications and utilities)?

III. METHODOLOGY AND CONDUCT OF THE WORK

INPUT agrees with Andersen's breaking the work into qualitative and quantitative segments:

- Qualitative: Four focus groups and five face-to-face interviews with CEOs.
- Quantitative: 180 telephone interviews.

In addition, INPUT would propose that overall market sizing and motivation draw on the analysis of Applications Management from INPUT's Outsourcing Program. (See material in Appendix 2.) This data would be further expanded and modified for the needs of this study.

Phase 1: Qualitative

During this phase the issues in "Scope" (as well as others) will be thoroughly explored and understood. This will provide Andersen a good "feel" for marketplace needs and directions. It is unlikely that this phase will be sufficiently precise to develop numeric measures of size and direction.

INPUT suggests that the four focus groups be divided geographically (probably the New York City area and Los Angeles).

INPUT recommends that two of the focus groups be made up of IS executives and two be made up of function heads. (The overall totals for IS function heads will be approximately 50-50; Fortune 500-type firms will be recruited.)

- There will be more common ground to explore.
- More importantly, in many organizations the IS and functional executives are in conflict; in fact some of the opportunities and roadblocks involving Applications Management are because of these roadblocks. Because of this, INPUT believes that there will be a more open discussion if the "enemy" is not present.

INPUT recommends that Andersen's name not be associated with the research in either phase, in order to avoid respondent bias.

The focus groups will be videotaped and audiotaped. Audiotapes will not be transcribed.

INPUT will schedule seven face-to-face interviews. All of these will be conducted if their are no cancellations or rescheduling. INPUT recommends this safety margin when dealing with this level of executive. INPUT also believes that in some cases somewhat lower level executives may be substituted for the CEO on short notice; INPUT will review such substitutions with Anderson for approval. INPUT recommends that these interviews be accepted, given the very compressed timeframe of this study face-to-face. Interviews will be audiotaped, unless the respondent objects.

There will be a kick-off meeting in INPUT's office in Teaneck, NJ during the first week of the project. One of the purposes at that meeting will be to discuss the utility and feasibility of constructing one or more diagrams or charts to serve as interview aids during the qualitative and quantitative phases. Exhibit 1 is an analogous aid which was used to lead respondents through an otherwise very complex set of networking issues.

INPUT will prepare recruitment scripts and interview guides and Andersen will have an opportunity to review them.

INPUT will prepare a report which will be a summary of findings from the qualitative phase. In addition, the issue information from phase 1 will be used to design the questionnaire for phase 2.

INPUT will make a presentation of results to Andersen in Chicago.

Phase 2: Quantitative Research

Phase 2 will be a telephone survey of IS executives and function heads. This survey will have the following objectives:

To provide more structured information on decision-making and vendor assessments.

To provide quantitative data on selection criteria and vendor ratings.

To provide supplementary information to further adjust INPUT forecasts.

To provide industry breakouts.

INPUT recommends that 180 telephone interviews be conducted; this would allow for 30 interviews per industry, which would allow for conclusions to be drawn by industry.

- The interviews can be further segmented by company size within industry to provide a representative sample.
- Companies can also be classified by size groups across industries. A sample of 180 is not large enough to provide conclusions on company size within an industry (e.g., if an industry is divided into "large" and "medium" companies, a sample of 15 is not large enough for conclusions in most cases.)
- If it is important to understand size within industry issues, then the sample sizes should be increased to at least 25 companies per cell.

Interviews will be 20-30 minutes long.

INPUT will draft a questionnaire based on results from the qualitative phase. This will be reviewed with Andersen and tested.

Respondents identities will not be associated with specific answers (Andersen will be supplied with a list of companies interviewed and a distribution of titles). Andersen's sponsorship will not be revealed. As an incentive to take part in the study respondents will be supplied with a brief summary of the study's findings; this summary will not include sensitive material and will be reviewed with Andersen before release.

After the interviews have been completed, the results will be tabulated and a report prepared. A copy of the data diskette as well as copies of the actual completed questionnaires will be supplied to Andersen if requested, with respondent identifiers removed.

INPUT's report will contain data analysis, findings and recommendations. INPUT will also make a presentation of results to Andersen in Chicago.

In both phases, INPUT will report to Andersen daily on results of recruiting and interview distribution.

IV. DELIVERABLES

In the course of this project Andersen will receive the following deliverables:

- Draft and final recruitment scripts for the focus groups and face-to-face interviews
- Draft and final focus group discussion guides
- Draft and final face-to-face discussion guides
- Audio and video tapes from focus groups (INPUT will keep copies also)
- Audio tapes from on-site interviews (assuming respondents approve)
- Preliminary and final reports from the qualitative phase
- Draft and final questionnaire
- Copies of the completed questionnaires, if desired (with identifiers removed)
- Data diskette with questionnaire data, if desired (with identifiers removed)
- Hard copy of questionnaire tabulations, if desired
- Preliminary and final reports for the quantitative phase
- Two presentations and related materials

V. QUALIFICATIONS

INPUT is well-qualified to conduct this study. INPUT's qualifications fall into the following categories:

- INPUT's data and analysis on the Applications Management market.
- INPUT's prior work with Andersen.
- INPUT's experience in studies of this kind.
- The staff assigned to this project.

A. INPUT's Data and Analysis on Applications Management

INPUT already provides extensive data on Applications Management and related services in its subscription programs covering Outsourcing, Systems Integration and Professional Services. Andersen is already a subscriber to these services. Appendix 2 summarizes these offerings.

The research and analysis which goes into these programs provides INPUT with an excellent foundation of knowledge which can be applied in this study for

- Developing focus group scripts and conducting the focus groups.
- Developing questionnaires, especially value lists.
- Assessing the competitive environment.
- Making recommendations

B. Prior Work with Andersen

In the last six months INPUT has worked on (or is still working on) several studies for Andersen. Besides serving as references, this also provides INPUT with insight into Andersen's needs generally as well as particular issues, e.g., what Andersen defines as the "product" group.

Several years ago INPUT also worked on a study somewhat similar to this study. This work became part of Andersen's published report, "IS Management in the Year 2000". This research also called for high level interviews and subsequent analysis.

C. INPUT's Experience in Projects of this Type

INPUT conducts about 100 custom research assignments a year, most of them involving primary research. INPUT has considerable experience in analyzing new and/or evolving markets and extracting useful conclusions for the client from the research process. Much of INPUT's research involves understanding the practices and motivations of key decision makers. Appendix 3 contains descriptions of several recent projects which involved interviewing key decision makers on changing markets.

INPUT's experience allows it to deal with a "fast track" project such as this.

D. Project Staffing

The Project Director for this study will be Thomas O'Flaherty. Mr. O'Flaherty has directed recent projects for Andersen and will be a "hands on" project director. Mr. O'Flaherty will be able to draw on his experience in directing several hundred custom studies involving information services.

Other key members of the project team include:

- J.P. Richard, Vice President and Director of INPUT's Outsourcing Program. He will provide assistance in framing issues and preparing reports.
- John McGann, Principal Consultant. Mr. McGann has been the principal researcher on a variety of professional services reports and studies.
- Joanne Ponnwitz, Associate Consultant. Ms. Ponnwitz directs the research and analysis for many of INPUT's primary research projects.

They will be assisted by other INPUT staff as required. Their biographical summaries are attached in Appendix 4.

VI. SCHEDULE

Andersen's desired schedule allows for almost no slippage or acts of God, such as snowstorms. INPUT believes that Andersen's needs would best be met by retaining February 22 as an internal date, but not promising the finished report until March 1. This would allow for slippage and probably produce a superior piece of analysis as well.

INPUT day-day-day schedule is shown below. In the qualitative phase especially, any slippage is unlikely to be made up.

Date	Activity
Jan 18	Contract award
Jan 19	INPUT prepares focus group and face-to-face recruitment scripts; begins recruitment; sends scripts to Andersen for review
Jan 21	Kick-off meeting with INPUT and Andersen staff in Chicago
	Recruitment scripts modified if required; draft focus group and face-to-face discussion guides sent to Andersen.
Feb 9- Feb 11 (approx)	Focus groups held (New York and Los Angeles). INPUT and Andersen will have an informal progress review
Jan 25- Feb 12	Face-to-face interviews conducted
Feb 11- Feb 15	Analysis of qualitative results
Feb 18	Review of draft report for the qualitative phase with Andersen. (For purposes of time, INPUT prefers that this review takes place in INPUT's office in Teaneck, NJ.)
Feb 22	Submission of final report for the qualitative phase.
	Submission of draft questionnaire to Andersen for review; begin testing questionnaire
	[Note: The questionnaire could be prepared a week earlier; however, this would interfere with the completion of the qualitative analysis and report preparation, for which there is little time slack.]

Feb 24- Mar 12	Telephone interviews conducted
Mar 5 (approx)	Progress review via conference call
Mar 10- Mar 16	Data cleansing, input and preliminary analysis.
Mar 17- Mar 19	Analysis and preparation of quantitative exhibits
Mar 24	INPUT sends preliminary quantitative report to Andersen
Mar 26	INPUT receives feedback from Andersen (via worksession or conference call)
Mar 31	INPUT delivers final quantitative report

VII. FEES

INPUT's professional fee is broken into the following parts, per Andersen's request:

Qualitative Phase	$48,500	
Out-of-pocket Expense	15,000	
Subtotal		$63,500
Quantitative Phase	$42,500	
Out-of-pocket	5,000	
Subtotal		$47,500
Grand Total		**$111,000**

Phase 1

INPUT's professional fee for Phase 1 is $48,500.

One-half of INPUT's professional fee for the study ($24,250) is due and payable upon authorization of the study; the remainder at the time of the presentation of results.

Out-of-pocket expenses (telephone, production, and travel) are in addition to the professional fees and are not expected to exceed $15,000.

Phase 2

INPUT's professional fee for Phase 1 is $42,500.

One-half of INPUT's professional fee for the study ($21,250) is due and payable upon authorization of the study; the remainder at the time of the presentation of results.

Out-of-pocket expenses (telephone, production, and travel) are in addition to the professional fees and are not expected to exceed $5,000.

This proposal will remain valid for thirty days, unless extended in writing. Andersen Consulting can initiate the study by providing authorization in the blocks provided below.

AUTHORIZATION

To authorize the project as specified, please sign and return one copy of this proposal, along with the initial fee. Upon acceptance by INPUT, a countersigned copy of the proposal will be returned to Andersen Consulting.

AUTHORIZED BY:	ACCEPTED BY:
Andersen Consulting	**INPUT**
Name _____	Name _____
Title _____	Title _____
Date _____	Date _____

****
*** ACTIVITY REPORT ***
****

TRANSMISSION OK

TX/RX NO.	3046
CONNECTION TEL	1 415 961 3967
CONNECTION ID	PROD
START TIME	04/09 15:31
USAGE TIME	02'44
PAGES	4
RESULT	OK

INPUT®

Atrium at Glenpointe, 400 Frank W. Burr Blvd., Teaneck, NJ 07666 (201) 801-0050
Fax (201) 801-0441

FAX TRANSMITTAL FORM

Date: 4/9

Confidential: Y / N
Urgent: Y / N

To: Name: Rene

Tel./Location:

Co.:

Page: 1 of 4

Fax No:

File: Chron
Contact
Other:

From: TA2

Subject:

Andersen - YA2 billing summary.

RF

Refers to 3 previously received pages (moments ago.)

JB

Retransmitted
4/9

New York Focus Groups

A. Zimmerman	Travel	$39.35
M. Brautigam	Travel	$38.20
Honorariums		$2,250.00
Facilities/Food/Camera		$2,780.00
Sub-Total		$5,107.55

Los Angeles Focus Groups

A. Zimmerman	Travel	$2,124.76
T.O'Flaherty	Travel	$1,896.31
Honorariums		$2,250.00
Facilities/Food/Camera		$2,376.75
Cancelled Facility - Adept		$900.00
Sub-Total		$9,547.82

Remaining one-half
of Phase I Professional Fee $24,250.00

Total Invoice ~~$38,905.37~~ 39605.56

~~+ TOT travel Apr 6-7 (approx $400)~~

B

Face-to-face Interview travel & travel to 4/7 meeting in Chicago. Subtotal 700.19

Total Expense 15355.56

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EXPENSE REPORT

EMPLOYEE NAME: C Flaherty EE. # 100 WEEK ENDING 4/9/93

TRAVEL INFORMATION	SAT	SUN	MON	TUES	WED	THURS	FRI	TOTAL
COMPANY(IES) VISITED				Lever Bros	Ander Sen	Genrx		
PERSONAL CAR: FROM								
TO								
MILES								
RATE PER MILE								
AIR TRAVEL: FROM				NY	Chic	Detroit		
INTERMEDIATE STOP								
INTERMEDIATE STOP								
TO				Chic	Detroit	NY		
TRAVEL EXPENSES:								
MILEAGE								
PARKING/TOLLS				1 20		17 60		18 80
AIR TRAVEL						579 —		579 —
RENTAL CAR Subway				2 50		46 12		48 62
TAXI/LIMOUSINE				21 —	26 —			47 —
HOTEL					236 41	111 89		348 30
TIPS/IN FLIGHT EXP.								21 —
MEALS	B L D	B L D	B L D	K K D	K K D	B K K	B L D	27
TOTAL MEALS				6 62	17 62	5 —		29 24
OTHER: Tel/Repair								21
TOTAL TRAVEL								1062 49

DATE	ENTERTAINMENT EXPENSES (COMPANY/PERSONS/PLACE/REASON):	
4/7	OTHER EXPENSES: Replace shirt damaged by leaking pen	14 46
	TOTAL EXPENSES ►	1076 95

ACCOUNTING USE ONLY

DISTRIBUTION OF EXPENSES BY PROJECT/CHARGE CODES

CIRCLE EXPENSE TYPE AND IF REIMBURSABLE BY CLIENT.

1. REG. BUSINESS TRAVEL/ENT. 2. TRADE SHOWS/CONFERENCES 3. RELOCATION 4. OTHER (Specify)

1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4
REIMB (Y) N	(Y) N	Y N	Y N	Y N
Y N 1 2 1 20	Y N 1 2 0			
18 80				
287 —	287 —			
2 50	46 12			
47 —				
236 41	111 89			
(	(			
6 62	17 62			
(	(			

LESS NON-REIMBURSEABLE EXPENSES 614 79

LESS ADVANCE 464 66

NET DUE EMPLOYEE 107 95

LOST RECEIPTS: TYPE: _____ AMT.: _____

UNUSED AIRLINE TICKETS ATTACHED: YES ☐ NO ☐

FOREIGN EXCHANGE RATE USED: COUNTRY: _____ AMT.: _____

ORIGINAL: ACCOUNTING COPY: EMPLOYEE

C Flaherty 4/9/93
SUBMITTED BY DATE

APPROVED BY DATE

PER470/01 5/86

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EXPENSE REPORT

EMPLOYEE NAME: O'Flaherty EE. # 100 WEEK ENDING 3/26/93

TRAVEL INFORMATION	SAT	SUN	MON	TUES	WED	THURS	FRI	TOTAL
COMPANY(IES) VISITED				Johnson + Higgins NYC		Nat West NYC	St Luke NYC	
PERSONAL CAR USE: FROM								
TO								
MILES								
RATE PER MILE								
AIR TRAVEL: FROM								
INTERMEDIATE STOP								
INTERMEDIATE STOP								
TO								
TRAVEL EXPENSES:								
MILEAGE								
PARKING/TOLLS								
AIR TRAVEL								
RENTAL CAR Sunny				2 50		2 50	1 25	6 25
TAXI/LIMOUSINE							4 50	4 50
HOTEL								
TIPS/IN FLIGHT EXP.								
MEALS	B L D	B L D	B L D	B L D	B L D	B L D	B L D	
TOTAL MEALS				54 65		10 —	10 —	74 65
OTHER:								
TOTAL TRAVEL								

DATE	ENTERTAINMENT EXPENSES (COMPANY/PERSONS/PLACE/REASON):	TOTAL
	OTHER EXPENSES:	
	TOTAL EXPENSES ➤	85 40

ACCOUNTING USE ONLY

DISTRIBUTION OF EXPENSES BY PROJECT/CHARGE CODES

CIRCLE EXPENSE TYPE AND IF REIMBURSABLE BY CLIENT.

1. REG. BUSINESS TRAVEL/ENT. 3. RELOCATION
2. TRADE SHOWS/CONFERENCES 4. OTHER (Specify)

1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4
REIMB Y N	Y N	Y N	Y N	Y N
YAZ 20				
6 25				
4 50				
74 65				
85 40				

LESS NON-REIMBURSEABLE EXPENSES

LESS ADVANCE

85 40 NET DUE EMPLOYEE

LOST RECEIPTS: TYPE: _____ AMT.: _____

UNUSED AIRLINE TICKETS ATTACHED: YES ☐ NO ☐

FOREIGN EXCHANGE RATE USED: COUNTRY: _____ AMT.: _____

ORIGINAL: ACCOUNTING COPY: EMPLOYEE

SUBMITTED BY 4/8/93 DATE

APPROVED BY / / DATE

PER470/01
5/86

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FAX TRANSMITTAL FORM

Date: ~~Mar 19~~ Mar 29

Confidential: Y / N
Urgent: Y / N

To: Name: Scott Morrison

Tel./Location: 312-507-5666

Co.: Andersen

Page: 1 of 20

Fax No: 312-507-8111

File: Chron
Contact
Other:

From: Tom O'Flaherty

Subject: Presentation - Initial Draft

(1) Retransmitted

(2) Note question marks on memo - please advise for actual presentation

(3) Will send outline tomorrow morning

March 19, 1993

To: Scott Morrison, Andersen

From: Tom O'Flaherty, INPUT

Via fax

Subject: Draft Presentation

Attached is a draft, which is still in process. I would normally insert more in the way of quotes, etc., but I assume that will be in your video. Tell me if you think I should put in some more.

In the actual presentation, I would take out some of the verbiage, but left it in here so that a reader could follow it better.

I hadn't discussed with you the "Opportunity" section. These may be numbers the audience hasn't seen before, at least not presented in this way.

I noticed that I don't have an "Objectives" page in this draft.

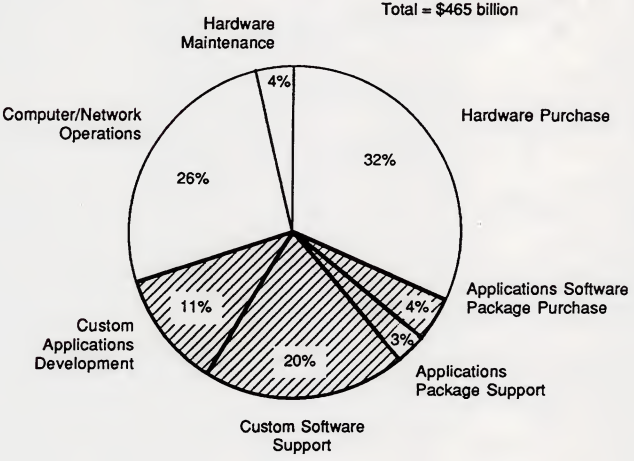
I can add as much detail as needed -- I have 50+ pages of notes. My assumption is that the audience will not be looking for data, but findings.

By the way, how much time should I budget for in the presentation?

45-60 min

(1)

Selected U.S. IT Expenditures (1992)



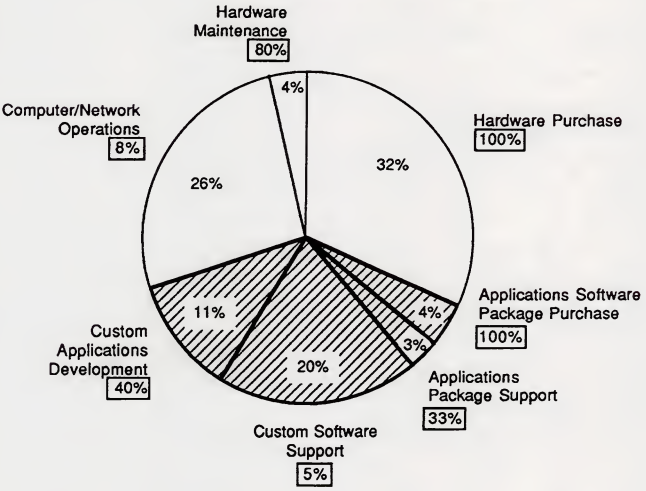
= Applications-related expenditure

Excludes: Non-application software, processing services, facilities and communications costs

YA2.2
3/93

(2)

Selected U.S. IT Expenditures and Percent Held by Vendors



% = Percent of revenue held by by vendors

= Applications-related expenditure

Excludes: Non-application software, processing services, facilities and communications costs

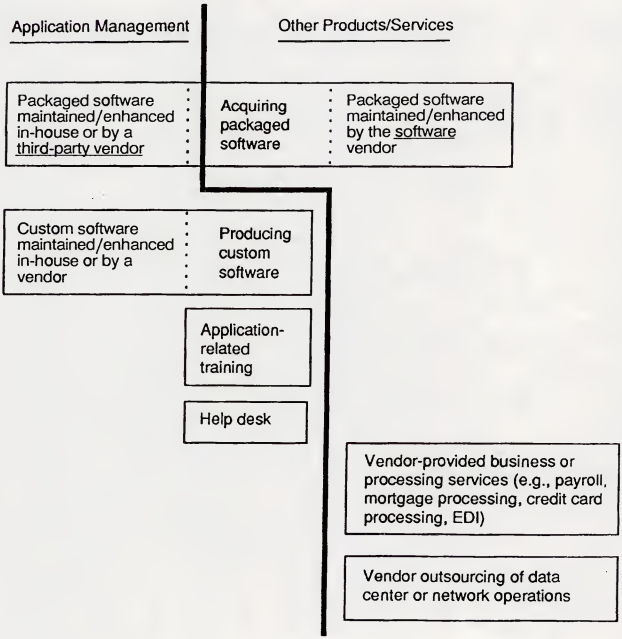
YA2.3
3/93

METHODOLOGY

[How much detail is customary?]

(4)

Divisions Between Application Management and Other Products/Services



5

Application Management Linkages

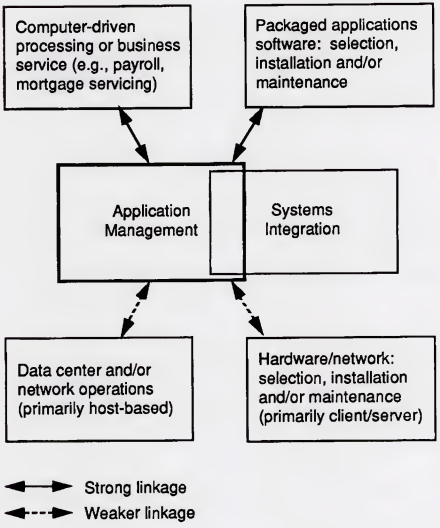
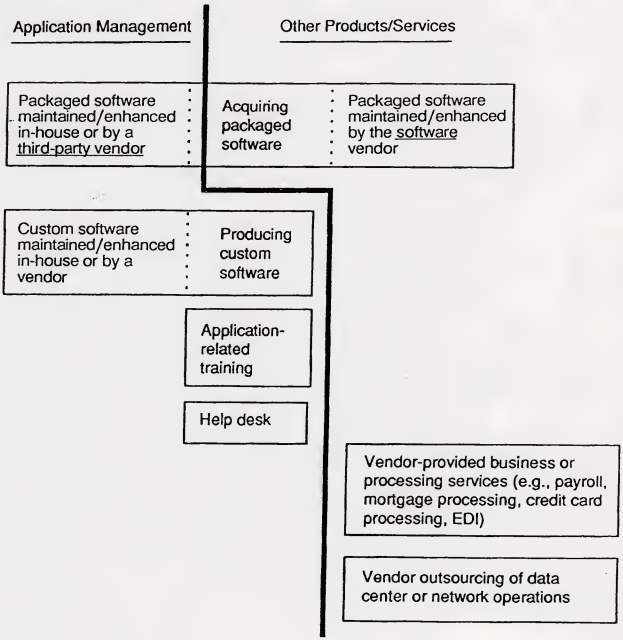


Exhibit 3

Divisions Between Application Management and Other Products/Services



DRAFT

FOCUS GROUP TOPIC GUIDE

[Note: Essentially the same guide will be used for Functional Head and IS sessions; same topics will be used in face-to-face interviews]

1. Application Management: What is It?

   - Group's reaction to "definition" (presented at start to put topic in context). Do they have a different definition?
   - Reaction to term "applications management". What does the term summon up? Is anything better?

2. How much are they involved in applications management now?

   - What organizational units are involved? Who does what?
   - What is the process? (E.g., initiation of changes, day-to-day management, education and training on changes, prioritizing new functions)
   - How satisfied are they with the current process?
   - What changes are occurring now to applications management? What other changes should happen? When?

3. What do they see as the payoffs from successful applications management? (Current benefits; steps in process; know how to get; benefits desired, but don't yet know how to achieve) Examples/prompts:

   - Increase control over applications/business function
   - Integrate applications with ongoing business processes
   - Faster, more responsive change
   - "Better" change (what?)
   - Cost savings
   - Delay new system installation

4. What are the "payoff" priorities? How are the payoffs being achieved now? What are the barriers? How will barriers be overcome?

5. Sources of application management (expectations; strengths and weaknesses of each)

   - o IS department (where not part of functional area)
   - o Functional area's own IS operation
   - o Third party (vendor)
   - o Amount of each used now
   - o Trends in levels of use; reasons

6. What are the factors in selecting an application management supplier? Examples/prompts

   - o Experience using or having used an applications management vendor
     - Own experience (person; business unit)
     - Firm's experience
     - Experience of others in same industry
     - Other experience
   - o Technical and applications capabilities
   - o Experience with vendor as an SI supplier
   - o Vendor's experience as data center outsourcer

7. What is the assessment of the strengths and weaknesses of specific vendors? (Current list: Andersen, EDS, IBM; plus one more)

   - o What is the basis for the assessment? (direct experience, secondhand experience, general reputation)
   - o Which one(s) would they be likely to use? (A vendor need not on the target list) Not use? Why?

8. What advice do they have to give vendors who want to succeed in the applications management business?

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FAX TRANSMITTAL FORM

Date: Jan 25

Confidential: Y / N
Urgent: Y / N

To: Name: Scott Morrisa

Tel./Location: 312-507-5666

Co.: Andersen

Page: 1 of 4

Fax No: 312-507-8111

File: Chron
Contact
Other:

From: Tom O'Laherty

Subject: Topic Guide Draft

Application Management

FOCUS GROUP TOPIC GUIDE

1. Application Management: What is it?

   - Group's reaction to "definition" (presented at start to put topic in context). Do you have a different definition?
   - Reaction to term "applications management". What does the term summon up? Is anything better?

2. What do you expect to receive if you outsource application management to an outside vendor/consultant? Respond in terms of defining/differentiating between:

   - Maintenance
   - Enhancements
   - New Development

3. Which of your applications are more likely to be outsourced? Why? Less likely to be outsourced? Why

4. How much are you involved in applications management now?

   - What organizational units are involved? Who does what?
   - What is the process? (E.g., initiation of changes, day-to-day management, education and training on changes, prioritizing new functions)
   - How satisfied are you with the current process?
   - What changes are occurring now to the management of your applications? What other changes should happen? Why? What other changes do you anticipate? When?

5a. What do you see as the payoffs from successful applications management? (Current benefits; steps in process; know how to get benefits desired, but don't yet know how to achieve) Examples/prompts:

- Increase control over applications/business function
- Integrate applications with ongoing business processes
- Faster, more responsive change
- "Better" change (what?)
- Cost savings
- Delay new system installation

10

5b. What are the "payoff" priorities? How are the payoffs being achieved now? What are the barriers? How will barriers be overcome?

6. Sources of application management (expectations; strengths and weaknesses of each)

- IS department (where not part of functional area)
- Functional area's own IS operation
- Third party (vendor)
- Amount of each used now
- Trends in levels of use; reasons

10

7. What are the factors in selecting an application management supplier? Examples/prompts

   - Experience using or having used an applications management vendor
     - Own experience (person; business unit)
     - Firm's experience
     - Experience of others in same industry
     - Other experience
   - Technical and applications capabilities
   - Experience with vendor as an SI supplier
   - Vendor's experience as data center outsourcer
   - Who decides

8. How do you expect to pay for these types of services?

   - Fixed fee over a period of time
   - Fees based on cost savings (profit sharing)

9. What is the assessment of the strengths and weaknesses of specific vendors? [Target list: Andersen, EDS, IBM, ISSC (of IBM), Digital]

   - What is the basis for the assessment? (direct experience, secondhand experience, general reputation)
   - Which one(s) would you be likely to use? (A vendor need not on the target list) Not use? Why? Why not?

10. What advice do you have to give vendors who want to succeed in the applications management business?

Applications Management:
Proposed Definition

Includes full life cycle support, that is, some or all of following:

- Fixing problems in existing software
- Expanding functions of existing software
- Setting up/expanding interfaces to other systems and applications
- Making existing software easier to use
- Setting up/running help desk to users
- Supplying data and advice for new uses of applications
- Developing new applications for supporting the business

Does not include the operation of data centers or other hardware.

Application Management

FOCUS GROUP TOPIC GUIDE

Revised

1. Application Management: What is it?

   - Group's reaction to "definition" (presented at start to put topic in context). Do you have a different definition?
   - Reaction to term "applications management". What does the term summon up? Is anything better?

2. What do you expect to receive if you outsource application management to an outside vendor/consultant? Respond in terms of defining/differentiating between:

   - Maintenance
   - Enhancements
   - New Development

3. Which of your applications are more likely to be outsourced? Why? Less likely to be outsourced? Why

4. How much are you involved in applications management now?

   - What organizational units are involved? Who does what?
   - What is the process? (E.g., initiation of changes, day-to-day management, education and training on changes, prioritizing new functions)
   - How satisfied are you with the current process?
   - What changes are occurring now to the management of your applications? What other changes should happen? Why? What other changes do you anticipate? When?

3a. What do you see as the payoffs from successful applications management? (Current benefits; steps in process; know how to get benefits desired, but don't yet know how to achieve) Examples/prompts:

- Increase control over applications/business function
- Integrate applications with ongoing business processes
- Faster, more responsive change
- "Better" change (what?)
- Cost savings
- Delay new system installation

3b. What are the "payoff" priorities? How are the payoffs being achieved now? What are the barriers? How will barriers be overcome?

4 6. Sources of application management (expectations; strengths and weaknesses of each)

- IS department (where not part of functional area)
- Functional area's own IS operation
- Third party (vendor)
- Amount of each used now
- Trends in levels of use; reasons

7. What are the factors in selecting an application management supplier? Examples/prompts

- Experience using or having used an applications management vendor
  - Own experience (person; business unit)
  - Firm's experience
  - Experience of others in same industry
  - Other experience
- Technical and applications capabilities
- Experience with vendor as an SI supplier
- Vendor's experience as data center outsourcer
- Who decides

8. How do you expect to pay for these types of services?

- Fixed fee over a period of time
- Fees based on cost savings (profit sharing)

9. What is the assessment of the strengths and weaknesses of specific vendors? [Target list: Andersen, EDS, IBM, ISSC (of IBM), Digital]

- What is the basis for the assessment? (direct experience, secondhand experience, general reputation)
- Which one(s) would you be likely to use? (A vendor need not on the target list) Not use? Why? Why not?

10. What advice do you have to give vendors who want to succeed in the applications management business?

Applications Management:
Proposed Definition

Includes full life cycle support, that is, some or all of following:

- Fixing problems in existing software
- Expanding functions of existing software
- Setting up/expanding interfaces to other systems and applications
- Making existing software easier to use
- Setting up/running help desk to users
- Supplying data and advice for new uses of applications
- Developing new applications for supporting the business

Does not include the operation of data centers or other hardware.

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2-8-93
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3
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Comments

Tom,

Attached is the latest version of our topic guide. Unless I here otherwise we will be using this tomorrow.

If any problems result with this transmission, please call:

Operator

Telephone Number

FAX (312)507-8111: under 10 pages
FAX (312) 807-2548: 10-plus pages

APPLICATION MANAGEMENT
FOCUS GROUP TOPIC GUIDE
Page 1

[Note: Essentially the same guide will be used for Functional Head and IS sessions; same topics will be used in face-to-face interviews]

1 Application Management: What is it?

- o Unaided reseponses with definition of meaning.
- o Group's reaction to "definition" (presented at start to put topic in context). Do they have a different definition?
- o Reaction to term "application management". What does the term summon up? Is anything better?

2. How much are they involved in application management now?

- o What organizational units are involved? Who does what?
- o What is the process? (E.G. initiation of changes, day-to-day management, education and training on changes, prioritizing new functions)
- o How satisfied are they with the current process?
- o What changes are occurring now to management of your applications? Who implements these changes? What other changes should happen? Why? What other changes do you anticipate? When?

3. What do they see as the payoffs from successful application management? (Current benefits; steps in process; know how to get benefits desired, but don't yet know how to achieve) Examples/prompts:

- o Unaided responses first.
- o Increase control over applications/business function
- o Integrate applications with ongoing business processes
- o Faster, more responsive change
- o "Better" change (What?)
- o Cost savings
- o Reduce delay of new system installation

APPLICATION MANAGEMENT
FOCUS GROUP TOPIC GUIDE
Page 2

4. What are the "payoff" priorities? How are the payoffs being achieved now? What are the barriers? How will barriers be overcome?

5. Sources of application management (expectations; strengths and weaknesses of each):
   - o IS department (where not part of functional area)
   - o Functional area's own IS operation
   - o Third party (vendor)
   - o Amount of each used now
   - o Trends in levels of use; reasons

6. Do you use outside suppliers in this area? Why or why not?

7. What are the factors in selecting an application management supplier? Examples/prompts:
   - o Experience using or having used an application management vendor
     - Own experience (person; business unit)
     - Firm's experience
     - Experience of others in same industry
     - Other experience
   - o Technical and applications capabilities
   - o Experience with vendor as an SI supplier
   - o Vendor's experience as data center outsourcer

8. What is the assessment of the strengths and weaknesses of specific vendors in this area? (Current list: Andersen, EDS, IBM, ISSC (of IBM), Digital)
   - o What is the basis for the assessment? (direct experience, secondhand experience, general reputation)
   - o Which one(s) would they be likely to use? (A vendor need not be on the target list) Not use? Why? Why not?

9. What advice do they have to give to vendors who want to succeed in the application management business? Explain by describing your "ideal" vendor.

APPLICATION MANAGEMENT
FOCUS GROUP TOPIC GUIDE
Page 3

10. How do you expect to pay for these types of services?

    - o Fixed fee over a period of time
    - o Fees based on cost savings (profit sharing)

11. What do you expect to receive if you outsource application management to an outside vendor/consultant?
    (Respond in terms of defining/differentiating between:

    - o Maintenance
    - o Enhancements
    - o New Development

12. Which of your applications are more likely to be outsourced? Why? Less likely to be outsourced? Why?

APPLICATION MANAGEMENT RESEARCH
PROJECT SCHEDULE

ACTIVITY/DELIVERABLE	TIMING	RESPONSIBLE
Select Research Firm		
Develop RFP	w/o 12/28	T.Poggenpohl
Approve RFP	w/o 1/4	J. Kriegman
Send RFP to vendors	w/o 1/4	S. Morrison
Proposals due from vendors	w/o 1/11	Vendors
Complete proposal analysis/recommendation	w/o 1/11	S. Morrison
Select vendor	w/o 1/11	J. Kriegman
Planning meeting/conference call with selected research firm	1/18	J. Kriegman T.Poggenpohl S. Morrison
Secondary Research		
Solicit proposal from AC Research	w/o 12/21	T. Poggenpohl
Complete proposal	w/o 12/21	M. Jameson
Approve proposal	w/o 1/11	J. Kriegman
Research and analysis complete	w/o 1/25	M. Jameson
Qualitative Research		
Screener Complete	1/25	Research Firm
Draft topic guide complete	1/25	Research Firm
Recruitment	w/o 1/25-2/8	Research Firm
Manage recruitment	w/o 1/25-2/8	S. Morrison
Approve participants	w/o 1/25-2/8	B. Patmore J. Kriegman
Changes to topic guide in	1/29	B. Patmore M. McKee J. Kriegman T.Poggenpohl
Topic guide complete	2/5	Research Firm
Focus groups	w/o 2/9-2/11	Research Firm
Final report/final presentation	2/22	Research Firm AC Team
Quantitative Research		
Draft questionnaire complete	2/22	Research Firm
Changes to questionnaire in	2/25	B. Patmore M. McKee J. Kriegman T. Poggenpohl
Questionnaire complete	2/26	Research Firm
Telephone interviewer briefing	3/1	Research Firm J. Kriegman S. Morrison
Fieldwork	w/o 3/1-3/17	Research Firm
Fieldwork management	w/o 3/1-3/17	S. Morrison

APPLICATION MANAGEMENT RESEARCH
PROJECT SCHEDULE (CONTINUED)

ACTIVITY/DELIVERABLE	TIMING	RESPONSIBLE
Respondent approval	w/o 3/1-3/17	B. Patmore J. Kriegman T. Poggenpohl
Banner development for computer tables	w/o 3/15	Research Firm
Topline results	3/24	Research Firm
Tabulation	w/o 3/18-3/25	Research Firm
Deliver Tabs	3/26	
Working meeting	w/o 3/31	Research Firm J. Kriegman T.Poggenpohl S. Morrison
Final presentation/report	w/o 4/5	Research Firm S. Morrison B. Patmore D. Monaco T. Poggenpohl J. Kriegman
Competitive Assessment		
Preliminary Document Analysis	1/21	C. L. Jones
Brochure Review/Analysis	w/o 1/21-1/29	C. L. Jones
Analysis & Document Preparation	w/o 2/1-2/4	C. L. Jones
Results Discussion/Final Deliverable	2/5	C. L. Jones T. Poggenpohl S. Morrison J. Kriegman

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Co.:

Page: 1 of 4

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Contact
Other:

From: DJ²

Subject: Andersen Summary

Note: We got off to a slow start w/ Andersen because Scott was slow turning around interview guides, company segmentation & acceptable focus group titles. He was also sick during 2-3 days of startup period.

I did not make an issue of this at the time or later because I believed (& believe) that even if we were right & sent to be right we would still lose: His boss delegated all research decision on "technical" subjects to him.

p1 of 3 2 15
2 9

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CONTACT REPORT

INPUT Staff: Init. TAP Init. _____ ☐ INPUT office ☐ Client Office ☐ Other Tel

Contact Date: 2/5/93

Date Written: 2/16/93

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Company Andersen				
Name Teresa Poggenpohl				
Title Mgr - Mkt Research				
Address				
Phone: ( ) -				
Fax: ( ) -				

2pm 2/5 Teresa & Scott Morrison on conference call (initiated by TAP) to discuss status

- Unlike earlier in week, when I had suggested postponing focus groups to following week & Scott was very optimistic & said that things always fell into place 4-5 days before the focus group
- Now Scott was anxious & negative
- We reviewed recruitment progress to date

	NY	LA
Functional	6	1
IS	10	6

- I said I felt positive, unlike a few days earlier
- Teresa said she couldn't get a good feel for progress since TAP had told her on 2/4 that there were 10 & 10 & only 1 add'l person had been recruited all day verbal
- I said that that was a miscommunication between JP & me & me & Teresa. I had said at the time that there were too many people involved in communicating progress.
- Teresa was unhappy about overall mgt of process - that I wasn't taking a leading enough role. Should they have hired INPUT? ☒ Continued over

M&S 300/01 11/90 (R)

Mail List Change Order 1. ☐ Update ☐ Correction ☐ Deletion ☐ Addition* Serial Number_____

2. **Customer Type:** ☐ Vendor ☐ Others ☐ Media ☐ User

3. **Newsletters:** ☐ EDI ☐ Field Service ☐ Other

4. **Vendor:** Vendor Type—☐ Client ☐ Former/Report Client ☐ Prospect

- Contact Level—☐ Executive ☐ Acquisition ☐ International ☐ Other
- If Exec. or Other Contact Level—☐ Maintenance ☐ Equipment ☐ Communications ☐ Others ☐ Info. Svc.
- If Info. Services—☐ Turnkey & Software ☐ Network & Processing ☐ Systems Integration ☐ Professional Svc.

5. **If User:** User Type—☐ Client ☐ Former/Report Client ☐ Prospect

- Comm. Contact Level—☐ Executive ☐ IS Mgmt. ☐ Other
- Fed. Contact Level—☐ Executive ☐ Acquisition ☐ Prog. ☐ Manager/Technical ☐ Other
- If Fed. Executive—☐ Info. Resource Mgr. ☐ Asst. Secretary ☐ Commander (Military) ☐ Agency Head
- If Fed. Other—☐ Laboratory ☐ NIS ☐ Users ☐ GSA

* No names will be added without a completed change order and program manager approval.

Program Manager Authorization _____

CONTACT REPORT Continuation

Company _____

Name _____

- I said I was very concerned about the review. Said INPUT wanted to do a quality job
- Some discussion as to why security was behind schedule. It was news to Teresa that we had only been doing it a week. I said that we hadn't gotten all the approvals on titles, induction screener until Jan 27. [note: ① I was intentionally fuzzy on Scott's role — happy to work with him ② Nova did receive formal ok on screener

5pm - Anderson decided to go with NY groups 2/5 & postpone LA groups for a week. Said this was first time they had to postpone a group

2/9 Focus groups went quite well TW & JP Richard there from INPUT, Scott, Janice Knesman (Marketing person in NJ responsible for application mgt) & a partner (for first session, name in grey book). Problems with definition of "appl mgt" from Anderson's standpoint - only rough spot. Used a professional focus group leader, Alan Zimmerman, used by INPUT's focus group contractor Westfield Marketing. Mary Brautigan from Westfield also there.

Walked Scott back to his hotel. He was quite pleased & relieved that things had gone well. Had been under a lot of pressure

2/12 Recruitment for LA focus groups going well. Westfield reporting progress directly to Scott to reduce confusion arising from daily reports. (Talked to Scott on 2/11, 2/12)

2/16 Telcon w/ Scott: Everything lining up ok for LA - 8 in functional group
12 in IS group

Jan 28 start recruit [vs Jan 22] Decided to only use Westfield for recruiting

Feb 1 Scott optimism - TCF rec postponing

Feb 5 - Go/no go Teresa → Why so long? - Didn't get started until Jan 29 (vs Jan 25)
Scott
received app topic guide
INPUT mgt of process not good

Feb 9 - NY Focus - 5, 10 $\boxed{\text{Rev. Def}}$ Never had to cancel of focus group before
Good Ex

Feb 15 - Tel - Mary - 8, 12

Feb 18 LA Focus

INPUT

Atrium at Glenpointe, 400 Frank W. Burr Blvd., Teaneck, NJ 07666 Tel. (201) 801-0050
Fax (201) 801-0441

February 10, 1993

Dear Survey Respondent:

Thank you for responding to our client/server support study. We are sending you a brief summary of our study as we promised when we spoke to you. We hope you will find this information useful.

Thank you again.

Sincerely,

Tom O'Flaherty /tf

Thomas O'Flaherty
Vice President

TOF:jb
a:TKS:DC2TYSUM

Jan 18 good luck all

waiting for rev ind/title list

Jan 22 Scott sick

sent Screener
opt Inds
opt Titles

Jan 25 Topic guide

Problems

- Start-up apparatus
- Reporting loop
- Westfield
- Staying on top of

INPUT

Atrium at Glenpointe, 400 Frank W. Burr Blvd., Teaneck, NJ 07666 Tel. (201) 801-0050
Fax (201) 801-0441

February 10, 1993

Dear Survey Respondent:

Thank you for responding to our client/server support study. We are sending you a brief summary of our study as we promised when we spoke to you. We hope you will find this information useful.

Thank you again.

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Thomas O'Flaherty
Vice President

TOF:jb
a:TKS:DC2TYSUM

INPUT

Atrium at Glenpointe, 400 Frank W. Burr Blvd., Teaneck, NJ 07666 Tel. (201) 801-0050
Fax (201) 801-0441

MEMORANDUM

DATE: February 10, 1993

TO: Scott Morrison, Andersen

FROM: Tom O'Flaherty, INPUT Via fax

---

1. Attached is a modified Focus Group Topic Guide. Changes:

   - Old question 9 moved to become new question 6
   - Old question 6 is dropped (already covered when going over definitions)

2. The "wall" definition has been typed and is attached.

3. Attached is a draft diagram showing what is included in Application Management and what is not included. I think the concept is a useful one for providing an overview to both functional and IS groups. Here are my thoughts on how it can be used:

   - When we agree on the diagram's composition, a handdrawn, wall version should be drawn. This would be gone over first -- to give people an overview as to what's in and what's out.
   - Then, the written definition can be reviewed for more detail on "what's in".

   This will help us keep on track better, I think. It will still sometimes be all right to use analogies to items outside of Application Management; for example, when discussing vendor selection criteria, the same general criteria may be used now for some services now outsourced.

   This diagram will also help participants to think about whether Application Management can be (or should be) separable from other outsourced services.

   Some version of the diagram might also be useful for internal Andersen use, for example, when making the presentation of our findings.

4. To confirm the changes in recruiting for companies over $1 billion: If we find that a functional executive with the targeted title does not play an active role in outsourcing/application management, but delegates these responsibilities to someone else, the second person will become the recruitment target.

   Where these situations are encountered, they will be immediately reviewed with Andersen on a case by case basis. (We may have to collect additional information about one or both people to satisfy ourselves that the second person is in fact functionally oriented and not just an "IS person in disguise" (who works for a functional unit directly, rather than in central IS).

Application Management

Support for all applications relating to one or more business functions on an ongoing basis, including (some or all):

- **Developing new applications for supporting the business**
- **Fixing existing software**
- **Expanding or enhancing functions of existing software**
- **Advising on ways to use new technology to improve business functions**
- **Making existing software easier to use (e.g., GUIs)**
- **Training**
- **Setting up/running help desks**

Does not include operations of data center or other hardware

INPUT

CONFIDENTIAL—Property of INPUT

CONTACT REPORT

Contact Date: 2/ -/93

INPUT Staff: Init. PAC Init. ________ ☐ INPUT office ☐ Client Office ☐ Other ________

Date Written: 2/19/93

	DISTRIBUTION: Action	Info.	By When	Prog./Proj. ID ____ Describe Action-F/U
Company ANDERSEN CONSULTING				
Name SCOTT MORRISON	Pete			Call Scott on return.
Title		Tom		
Address		Chris.		
Phone: (312) 507 - 5666				
Fax: (312) 813 - 4559				

. He is in ~~[illegible]~~ Skip Battle's group. They are doing work for Don Menace and Jim Fisher. - left voice message.

. Have a few concerns about project Tom O'Flaherty is running. Project is going "alright." but Mary Ellen? Suggested Scott call me because of the problems.

. Problems are in project management - it's not being done in the way they have been used to in the past. It is much looser than expected.

. He understood I was on vacation but wanted to talk when I returned

☐ Continued over

INPUT®

Atrium at Glenpointe, 400 Frank W. Burr Blvd., Teaneck, NJ 07666 (201) 801-0050
Fax (201) 801-0441

FAX TRANSMITTAL FORM

Date: 1/25

Confidential: Y / N
Urgent: Y / N

To: Name: Mary Brautigam

Tel./Location: ~~233-6137~~ 908-654-8636

Co.: Westfield

Page: 1 of 6

Fax No: 908 233-6137

File: Chron
Contact
Other:

From: Tom O'Flaherty

Subject: Draft Screening Questionnaire

Slightly different versions for (1) Functional heads & (2) IS heads

Functional - 1

Sample Recruiting Guide

Revised XX/XX/XX
Recruiter_____

Date_____

GROUP SCHEDULED:
CITY_____
DATE_____
TIME_____

Name_____

Title_____

Company_____

Address_____

City, State, Zip_____

Telephone_____

FAX (if available)_____

Hello, my name is _____. I am calling to invite you to a focus group to discuss the pros and cons of outsourcing the management and support of computer applications (not running the data center).

1. Does your unit have a significant responsibility for selecting or deciding on the changes to computer applications that affect your unit?

o Yes ____ (go to question 2)

o No ____ (Thank person for their help and terminate)

2. Has your unit been involved in this kind of outsourcing or will it have an interest in the concept?

o Have done ____

o Are doing now ____

o Have considered it ____

o Are considering it now ___

o Have an interest in the concept ____

If Yes to one of the above, continue to question 3

If No to all the above, ask: "Who in your unit would be involved or interested?"

o Get name, title and telephone number.

o Thank person for their help and terminate

3. What is your title?

- o Chairman/CEO ____ Go to Question 5
- o President/COO ____ Go to Question 4
- o Executive VP ____ Go to Question 4
- o VP [on list] ____ Go to Question 4
- o Other (_____) ____ Ask:

  "What is the title of the person you report to?"

  - o Chairman/CEO ____
  - o President/COO ____
  - o Executive/Sr VP ____

  If one of the above: Get person's title and proceed to question 5

  If none of the above: Get name and title of person the respondent reports to and thank them for their time

4. What is the title of the person you report to?

- o Chairman/CEO ____ Go to Question 5
- o President/COO ____ Go to Question 5
- o Executive/Sr VP ____ Go to Question 5
- o Other (_____) ____

  - o Thank person for their help and terminate

5. [Respondent qualifies]

The focus group will be held at ..... (see sheets)

It will last about two hours and lunch/dinner will be served.

Your attendance is important to the success of this project and we are only inviting a limited number of people. We consider this a firm commitment on your part and will mail you a letter confirming your participation. If an emergency comes up and you must cancel, please notify us as soon as possible. We can be reached at _____.

If the person is not available at the focus group time, go to question 6.

6. I am very sorry that you are not available on the date of the focus group. One of our senior consultants would like very much to sit down with you in your office for about an hour in the next several weeks to discuss these issues with you one-on-one. What is a convenient time for you to arrange such a meeting?

Sample Recruiting Guide

Revised XX/XX/XX
Recruiter_____

Date_____

GROUP SCHEDULED:
CITY_____
DATE_____
TIME_____

Name_____

Title_____

Company_____

Address_____

City, State, Zip_____

Telephone_____

FAX (if available)_____

Hello, my name is _____. I am calling to invite you to a focus group to discuss the pros and cons of outsourcing the management and support of computer applications (not running the data center).

1. Does your unit have a significant responsibility for selecting or deciding on the changes to computer applications?

- o Yes ____ (go to question 2)
- o No ____ (Thank person for their help and terminate)

2. Has your company been involved in this kind of outsourcing or will it have an interest in the concept?

- o Have done ____
- o Are doing now ____
- o Have considered it ____
- o Are considering it now ___
- o Have an interest in the concept ____

If Yes to one of the above, continue to question 3

If No to all the above, ask: "Who in your unit would be involved or interested?"

- o Get name, title and telephone number.
- o Thank person for their help and terminate

3. What is your title?

- o Executive VP (of IS ____ Go to Question 5
- o CIO ____ Go to Question 5
- o VP/Director of IS ____ Go to Question 4

If none of the above: Get name and title of person the respondent reports to and thank them for their time

4. What is the title of the person you report to?

- o Chairman/CEO ____ Go to Question 5
- o President/COO ____ Go to Question 5
- o Executive/Sr VP ____ Go to Question 5
- o Other Non-IS (_____) ____ Go to Q. 5
- o Other IS (_____) ____
  - o Thank person for their help and terminate

5. [Respondent qualifies]

The focus group will be held at ..... (see sheets)

It will last about two hours and lunch/dinner will be served.

Your attendance is important to the success of this project and we are only inviting a limited number of people. We consider this a firm commitment on your part and will mail you a letter confirming your participation. If an emergency comes up and you must cancel, please notify us as soon as possible. We can be reached at _____.

If the person is not available at the focus group time, go to question 6.

6. I am very sorry that you are not available on the date of the focus group. One of our senior consultants would like very much to sit down with you in your office for about an hour in the next several weeks to discuss these issues with you one-on-one. What is a convenient time for you to arrange such a meeting?

```
*****************************
***   ACTIVITY REPORT   ***
*****************************
```

TRANSMISSION OK

TX/RX NO.	1290
CONNECTION TEL	19082336137
CONNECTION ID	
START TIME	01/25 11:04
USAGE TIME	03'13
PAGES	6
RESULT	OK

Application Management Research
Focus Group Screener

Revised 02/25/93
Recruiter: _____
Date: _____

Group Scheduled:
City: _____
Date: _____
Time: _____

Name: _____
Title: _____
Company: _____
Address: _____
City, State, Zip: _____
Telephone: _____
Fax: _____

Hello, my name is _____. I am calling to invite you to a focus group to discuss the pros and cons of outsourcing the management and support of computer applications. (This includes support, maintenance and/or enhancements of current application software that helps you run your business; it does not include running a data center.)

I'd like to verify that your firm is in the _____industry.
(From matrix sheet, if not on qualified list terminate and thank respondent.)

1. Does your department/area have a significant responsibility for selecting or deciding on the changes to computer applications that affect your area?

   > Yes ___ (go to question 2)
   > No ___ (thank person for their help and terminate)

2. Which of the following would best describe your role if your company were to consider hiring an outside vendor/consultant that offers services in application management.

   > ___ I would sit on the committee to evaluate the selection (Go to question 3)
   > ___ I would decide myself (Go to question 3)
   > ___ I would make recommendations to others who would sit on an evaluation committee or to another who would make the decision himself (Go to question 3)

   > ___ I would not be involved in the decision (Thank person for their help and terminate)
   > ___ Don't know/refused (Thank person for their help and terminate)

3. Have you ever been involved in this kind of outsourcing or, will possibly be in the future?

   > Yes...
   Have done ___
   Are doing now ___
   Have considered it ___
   Are considering it now ___

   If yes to one of the above, continue with question 4

   > No ___ (Thank person for their help and terminate)

4. What is your exact title?

(Record here): _____
> Chairman/CEO ____ Go to question 7
> President/COO ____ Go to question 5
> CFO/VP Finance ____ Go to question 5
> VP Admin ____ Go to question 5
> Other (_____) Thank and Terminate

5. Are you the most senior person in your area/department?

> Yes ____ (Continue with question 6)
> No ____ (Ask: What is the name, title and telephone of the most senior person in your area. Record information then thank them and terminate.)

6. What is the title of the person you report to?

Record here: _____
> Chairman/CEO ____ Go to question 7
> President/COO ____ Go to question 7
> Executive/Sr. VP ____ Go to question 7
> Other (_____) ____ (If title appears to be in same functional area they are not the most senior person in their area. Find out the name and telephone of that person and thank and terminate. Otherwise go to question 7)

7. What is the approximate size of your company in terms of Revenues? (Ask in terms of Assets for Financial services companies and # Beds for healthcare/hospitals)

> Revenues _____
> Assets _____
> Number Beds _____

Check the target matrix for qualifying company sizes. If qualified go to question 8. If less than $500M then thank and terminate.

8. Very good, we would greatly like you to attend this focus group. It will be held _____ (see attachment).

It will last about 2 hours and lunch/dinner will be served. You will also be compensated for your time in the amount of $_____ (see attached guide).

Your attendance is very important to the success of this project and we are only inviting a select and limited number of people. We consider this a firm commitment on your part and will mail you a letter confirming your participation. (Record mailing address to send confirmation):

_____
_____
_____
_____

If an emergency comes up and you must cancel, please notify us as soon as possible. We can be reached at _____.

> Not available for the focus group ____ (Thank them and ask them if they would consider a one-on-one interview at their own company location at their convenience in the near future?)

> Yes ____ If so, tell them we may be calling them to set one up [illegible] them for their time and terminate

ANDERSEN CONSULTING
ARTHUR ANDERSEN & CO, S.C.

Facsimile

Market Development
69 West Washington Street
Chicago, Illinois 60602
(312) 580-0069

This facsimile may contain *privileged and/or confidential information* intended only for the use of the addressee. If you are not the addressee or the person responsible for delivering to the person addressed, notify us by telephone (collect). Thank you.

2-25-93
Date

527-04[redacted]
Charge Number

219
Office Number

3
Pages to Follow

Office to
INPUT

Company
Tom O'Flaherty

To
Scott Morrison

From

Return Original to Room Number

Office from
201-801-0441
Fax Number

Recipient Telephone Number

312 507-5666
Sender's Telephone Number

Priority
☒ Immediate ☐ Overnight ☐ Normal

Please check appropriate box if distribution list is attached.
☐ Send with distribution list ☐ Send without

Comments
We would really like to do this focus group the week of March 8-12. I suggest that twice the recruiting resources could take half the time.

Scott

I also need to discuss costs of this group with you,

If any problems result with this transmission, please call:

Operator

Telephone Number

FAX (312) 507-8111: under 10 pages

INPUT®

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Fax (201) 801-0441

FAX TRANSMITTAL FORM

Date: 3/1

Confidential: Y / N
Urgent: Y / N

To: Name: Mary

Tel./Location:

Co.:

Page: 1 of 1

Fax No: 0290

File: Chron
Contact
Other:

From: TOP

Subject: Telecon w/ Scott

(1) Yes, large insurance cos ok (basicly, Allstate, CNA, State Farm, Kemper)

(2) For mfg cos, good idea to expand titles to VPs of Mfg, Operations (assuming Senior) + VP/GM, assuming they meet the "Rpt to" qualification

(3) The 3 Securities exchanges (which I had a "?" by) are ok. They are on p 532 + 534 of list I sent.

****
*** ACTIVITY REPORT ***
****

TRANSMISSION OK

TX/RX NO.	2120
CONNECTION TEL	19086540290
CONNECTION ID	
START TIME	03/01 12:47
USAGE TIME	00'43
PAGES	1
RESULT	OK

INPUT®

Atrium at Glenpointe, 400 Frank W. Burr Blvd., Teaneck, NJ 07666 (201) 801-0050
Fax (201) 801-0441

FAX TRANSMITTAL FORM

Date: 3/17

Confidential: Y / N
Urgent: Y / N

To: Name: Scott Morrison

Tel./Location: 507-5666

Co.: Andersen

Page: 1 of 2

Fax No: 312-507-8111

File: Chron
Contact
Other:

From: Tom O'Flaherty

Subject:

Attached is draft invoice. Expenses are under the $15K ceiling. (There may be a bit more for face-to-face interview expenses, but will not be over the ceiling)

Let me know how much, if any, more detail you need with the actual invoice

New York Focus Groups

A. Zimmerman	Travel	$39.35	
M. Brautigam	Travel	$38.20	
Honorariums		$2,250.00	
Facilities/Food/Camera		$2,780.00	
Sub-Total		$5,107.55	

Los Angeles Focus Groups

A. Zimmerman	Travel	$2,124.76	
T.O'Flaherty	Travel	$1,896.31	
Honorariums		$2,250.00	
Facilities/Food/Camera		$2,376.75	
Cancelled Facility - Adept		$900.00	
Sub-Total		$9,547.82	
Remaining one-half of Phase I Professional Fee		$24,250.00	
Total Invoice			$38,905.37

(—)

	NY Fine	NY IT	LA Fine	LA IT
And	Cost	× Young, unifa Cost	Cost	Promote from within Cost Young
EDS	~~[illegible]~~ Sys op Big job	Cost	Cost	Sys op Ind k V. responsive Big job
IBM	Prod Ind k Size Rep	Maintn Not resp Prod	Ind k Not flex	Exp T&C HW

Intel and Tex[illegible]ments semiconductors. A lot of the semiconductors are digital-signal [illegible]s and analog-digital converters.

Because all h[illegible]s proprietary, Octel is not using OSI or other standard message form[illegible]as X.400, MHS, etc.). It is asking itself the question of how to move into st[illegible] environments. It doesn't want to become a Wang computer, where the p[illegible]nature of its platform eventually undermined its market.

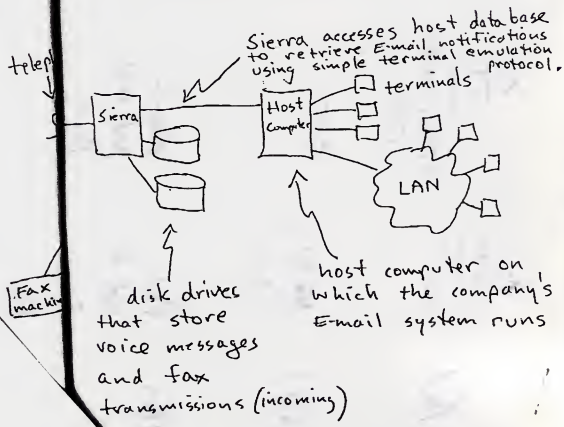
Where stan[illegible]irst become incorporated into Octel products are: in accessing c[illegible]data bases on networks (using SQL to access Informix or Oracle dat[illegible]to send short messages to cellular phone users who are accessing [illegible]e/data system (here the operative standard is the SS7 standard).

Mr. Sigris[illegible]n the future it makes sense that an integrated messaging platform [illegible]nto existence. It is more convenient for users, because all messages[illegible]n one system. It would be more convenient for the personne[illegible]or managing/administering the system as well.

Intervie[illegible]s, attached

Prepar[illegible]les, Sr. Consultant, INPUT

[illegible]ctel's Sierra Product Architecture



Intel and Tex[illegible]nents semiconductors. A lot of the semiconductors are digital-signal [illegible]s and analog-digital converters.

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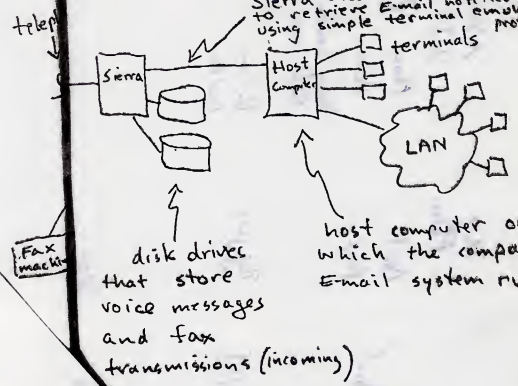
Mr. Sigris[illegible]n the future it makes sense that an integrated messaging platform [illegible]nto existence. It is more convenient for users, because all messages [illegible]n one system. It would be more convenient for the personn[illegible]or managing/administering the system as well.

Intervie[illegible]s, attached

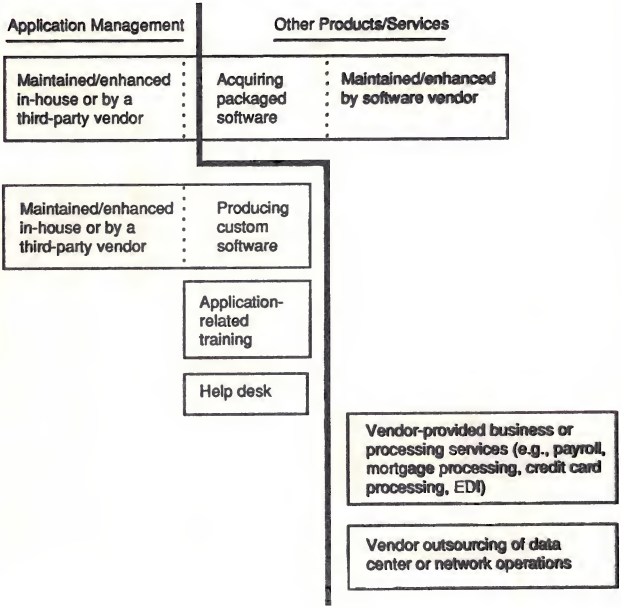
Prepar[illegible]es, Sr. Consultant, INPUT

[illegible]ctel's Sierra Product Architecture



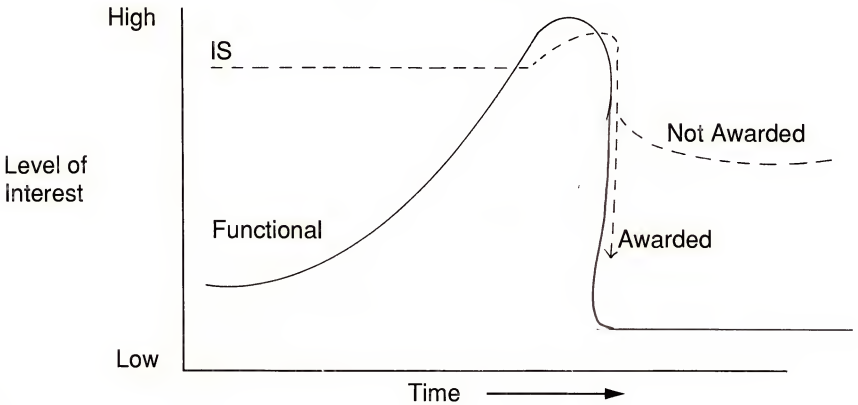
	NY	NY		CA	CA	
	Func	IT		Fin	IT	
Anal	Anal	Func	People	Rep	TV	People	Health
	People	Delivery		WW		Consistent	
		Young uniform		Rez		Referral partner	
		Reas price		Ind		Good contact	
BDS	Big job	Deliver		Flex		Ind K	
		Ind K		On time			
				Strong overall			
IBM	Team			Rez			

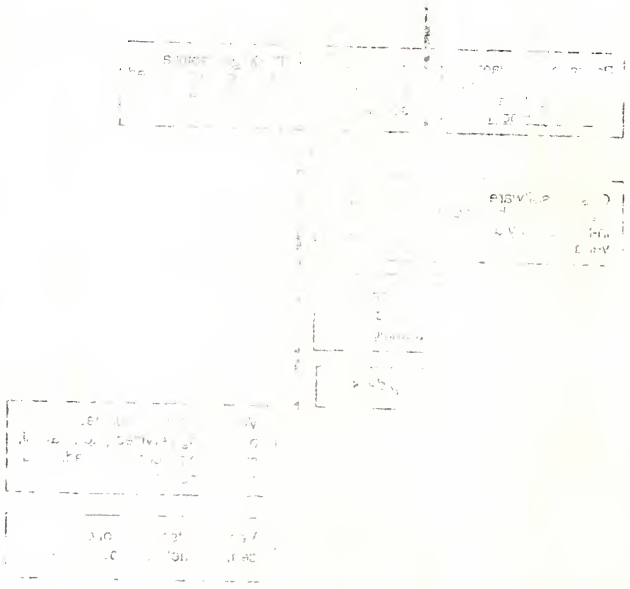
Divisions Between Application Management and Other Products/Services



YA6
8/98

Data Center Outsourcing
Typical Level of Interest/Involvement in an Enterprise





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Application Management
Typical Level of Interest/ Involvement in an Enterprise

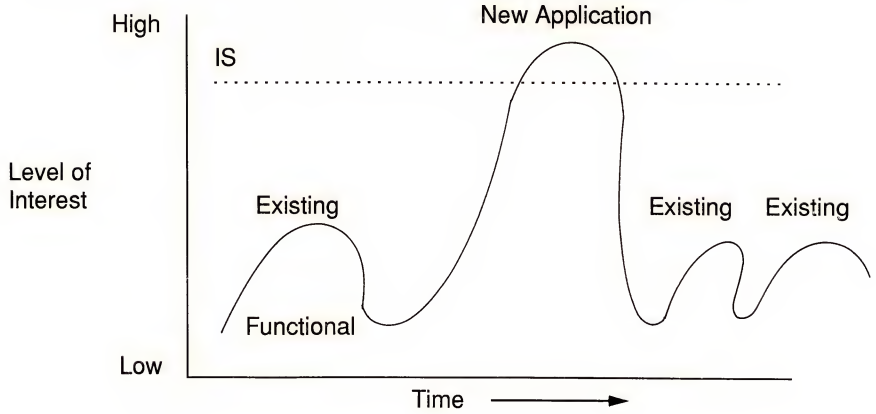

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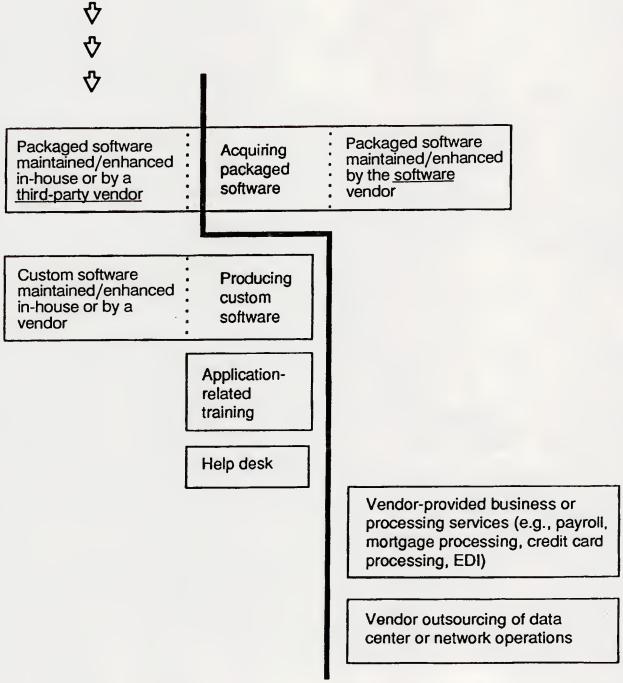
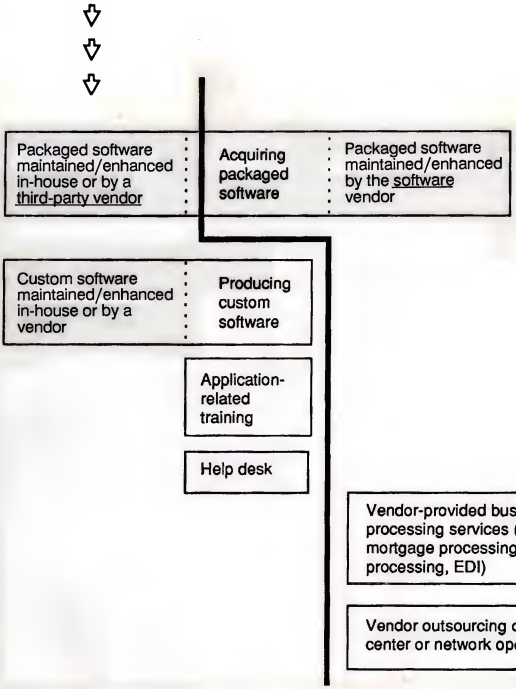
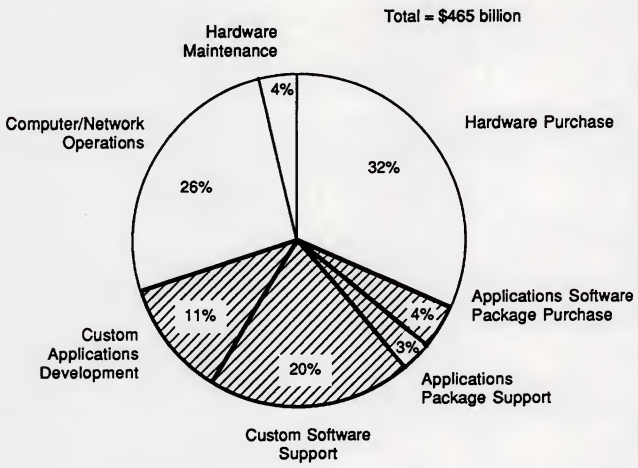
EXHIBIT A


Packaged software maintained/enhanced in-house or by a third-party vendor
Acquiring packaged software
Packaged software maintained/enhanced by the software vendor
Custom software maintained/enhanced in-house or by a vendor
Producing custom software
Application-related training
Help desk
Vendor-provided business or processing services (e.g., payroll, mortgage processing, credit card processing, EDI)
Vendor outsourcing of data center or network operations


Packaged software maintained/enhanced in-house or by a third-party vendor
Acquiring packaged software
Packaged software maintained/enhanced by the software vendor
Custom software maintained/enhanced in-house or by a vendor
Producing custom software
Application-related training
Help desk
Vendor-provided business or processing services (e.g., payroll, mortgage processing, credit card processing, EDI)
Vendor outsourcing of data center or network operations

Selected U.S. IT Expenditures (1992)

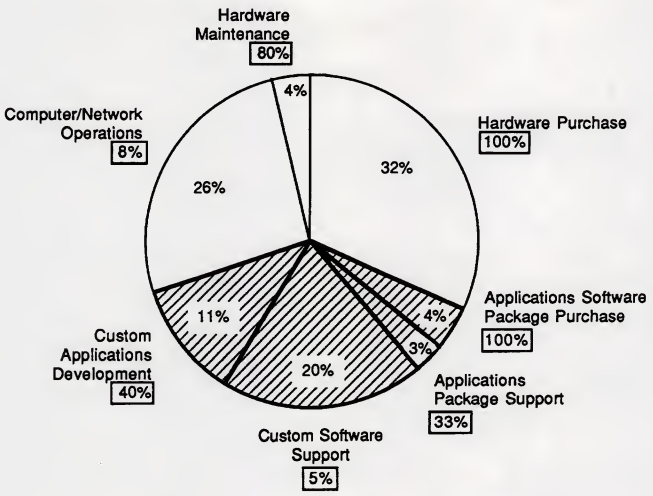


= Applications-related expenditure

Excludes: Non-application software, processing services, facilities and communications costs

YA2.2
3/93

Selected U.S. IT Expenditures and Percent Held by Vendors



% = Percent of revenue held by by vendors

= Applications-related expenditure

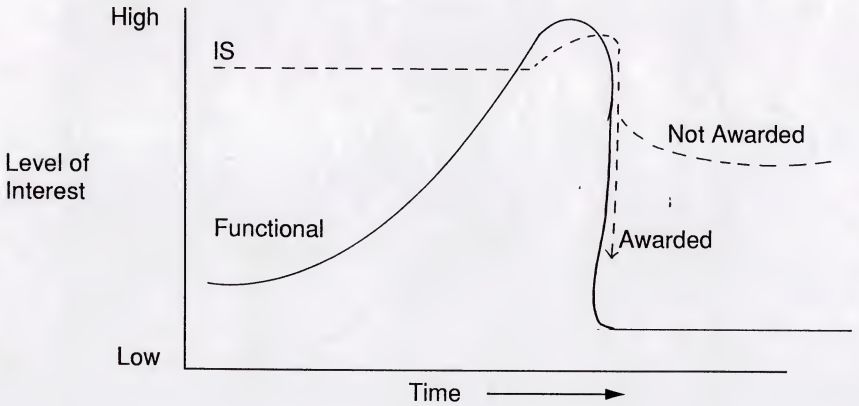
Excludes: Non-application software, processing services, facilities and communications costs

YA2.3
3/93

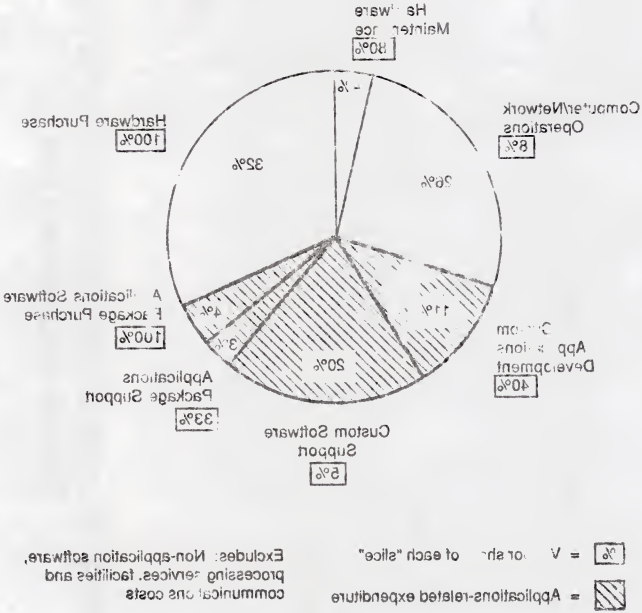
Selected U.S. Information Systems/Services Expenditures by Supplier (1992)

	Expenditures by Supplier ($ Billion)				
	In-House	Vendor	Total		Vendor %
Applications-Related					
• Applications Packages	0	$20	$20	(4%)	[100%]
• Applications Package Support	10	5	15	(3%)	[33%]
• Applications Development Custom	30	20	50	(11%)	[40%]
• Custom Application Support	85	5	90	(20%)	[5%]
Hardware Related					
• Hardware Purchase	0	150	150	(32%)	[100%]
• Maintenance	4	16	20	(4%)	[80%]
• Operations	110	10	120	(26%)	[8%]
TOTAL	$239	$226	$465	(100%)	[49%]

Data Center Outsourcing
Typical Level of Interest/Involvement in an Enterprise

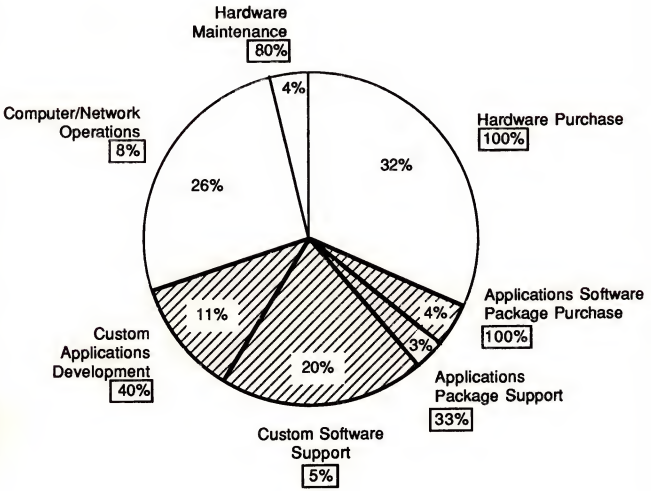


Selected U.S. Information Systems/Services Expenditures and Vendor Share (1992)



YA2.2
3/90

Selected U.S. Information Systems/Services Expenditures and Vendor Share (1992)



% = Vendor share of each "slice"

= Applications-related expenditure

Excludes: Non-application software, processing services, facilities and communications costs

YA2.2
3/93

Application Management

FOCUS GROUP TOPIC GUIDE

Revised

1. Application Management: What is it?

   - Group's reaction to "definition" (presented at start to put topic in context). Do you have a different definition?
   - Reaction to term "applications management". What does the term summon up? Is anything better?

2. How much are you involved in applications management now?

   - What organizational units are involved? Who does what?
   - What is the process? (E.g., initiation of changes, day-to-day management, education and training on changes, prioritizing new functions)
   - How satisfied are you with the current process?
   - What changes are occurring now to the management of your applications? What other changes should happen? Why? What other changes do you anticipate? When?

3a. What do you see as the payoffs from successful applications management? (Current benefits; steps in process; know how to get benefits desired, but don't yet know how to achieve) Examples/prompts:

   - Increase control over applications/business function
   - Integrate applications with ongoing business processes
   - Faster, more responsive change
   - "Better" change (what?)
   - Cost savings
   - Delay new system installation

3b. What are the "payoff" priorities? How are the payoffs being achieved now? What are the barriers? How will barriers be overcome?

4. Sources of [illegible] weaknesses of [illegible]

- [illegible]
- [illegible]
- [illegible]
- [illegible]
- [illegible]

5. [illegible]

- [illegible]
  - Own [illegible]
  - [illegible]
  - Expe[illegible]
  - [illegible]
- [illegible]
- [illegible]
- [illegible]
- [illegible]

6. [illegible]

- [illegible]
- [illegible]
- [illegible]
- [illegible]

4. Sources of application management (expectations; strengths and weaknesses of each)

   - IS department (where not part of functional area)
   - Functional area's own IS operation
   - Third party (vendor)
   - Amount of each used now
   - Trends in levels of use; reasons

5. What are the factors in selecting an application management supplier? Examples/prompts

   - Experience using or having used an applications management vendor
     - Own experience (person; business unit)
     - Firm's experience
     - Experience of others in same industry
     - Other experience
   - Technical and applications capabilities
   - Experience with vendor as an SI supplier
   - Vendor's experience as data center outsourcer
   - Who decides?

6. What do you expect to receive if you outsource application management to an outside vendor/consultant? Respond in terms of defining/differentiating between:

   - Maintenance
   - Enhancements
   - New Development

7. Which of your applications are more likely to be outsourced? Why? Less likely to be outsourced? Why?

8. How do you expect to pay for these types of services?

   - Fixed fee over a period of time
   - Fees based on cost savings (profit sharing)

9. What is the assessment of the strengths and weaknesses of specific vendors? [Target list: Andersen, EDS, IBM, ISSC (of IBM), Digital]

   - What is the basis for the assessment? (direct experience, secondhand experience, general reputation)
   - Which one(s) would you be likely to use? (A vendor need not on the target list) Not use? Why? Why not?

10. What advice do you have to give vendors who want to succeed in the applications management business?

Applications Management:
Proposed Definition

Includes full life cycle support, that is, some or all of following:

- Fixing problems in existing software
- Expanding functions of existing software
- Setting up/expanding interfaces to other systems and applications
- Making existing software easier to use
- Setting up/running help desk to users
- Supplying data and advice for new uses of applications
- Developing new applications for supporting the business

Does not include the operation of data centers or other hardware.

INPUT

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CONTACT REPORT

INPUT Staff: Init. PK Init. _____ ☒ INPUT office ☐ Client Office ☐ Other _____

Contact Date: 2/19/93

Date Written: 3/1/93

	DISTRIBUTION:			Prog./Proj. ID
Company ANDERSEN CONSULTING	Action	Info.	By When	Describe Action-F/U
Name SCOTT MORRISON.	Tom			You must establish "back-up" and more formal communication with clients - particularly AC. Can build on good relations. Get to Dan Monaco sometime.
Title				
Address				
Phone: ( ) -				
Fax: ( ) -				

- Methodology problems - They expect to be "Baby Sat" They want "NO SURPRISES"
- The project was not happening as they expected. Tom not managing expectations. For example, turned up to a meeting expecting Tom to moderate - found out it was someone else (with whom they are quite happy!) - Changed facilities, etc.
- They need to be suitably warned. Very intellectual group - need process to keep them comfortable.
- Her "client" is Janice Greegrass who works for Dan Monaco.
- Process always one of learning - when going quantitative, process is intensified
- Thought they had established daily status report expectation from vendors in initial meeting - didn't get it. When someone was sick (Tom, Janine) there was no coverage
- He is really excited about working with us. They had another vendor he went out on a limb to get us. So has a vested interest in our doing well
- When working with Tom - if something is difficult - let him know he will work with us! Wants to work together!

☐ Continued over

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CONTACT REPORT

3 / 1

Contact Date: 2 / 26 / 93

Date Written: 3 / 3 /

INPUT Staff: Init. TJR Init. _____ ☐ INPUT office ☐ Client Office ☐ Other _____

	DISTRIBUTION:			Prog./Proj. ID
Company Andersen	Action	Info.	By When	Describe Action-F/U
Name Scott Morrisa				
Title				
Address				
Phone: ( ) -				
Fax: ( ) -				

2/26 am received parameters (Sent 7:30 Th)

1 pm – Our preference: ① 3/23 for maximizing recruitment

② 3/16 (Alan available ??)

③ 3/11 – risky

He said he would be talking to Janice Mon am & would let us know then 3/16 as compromise?

3/1 Janice: 3/11 – ① Wants to incorporate results into tel int

[② avoid int. mtg]

☐ Continued over

M&S 300/01 8/91 (R)

Mail List Change Order 1. ☐ Update ☐ Correction ☐ Deletion ☐ Addition* Serial Number_____

2. **Customer Type:** ☐ Vendor ☐ Others ☐ Media ☐ User

3. **Newsletters:** ☐ EDI ☐ Field Service ☐ Other

4. **Vendor:** Vendor Type— ☐ Client ☐ Former/Report Client ☐ Prospect

- Contact Level— ☐ Executive ☐ Acquisition ☐ International ☐ Other
- If Exec. or Other Contact Level— ☐ Maintenance ☐ Equipment ☐ Communications ☐ Others ☐ Info. Svc.
- If Info. Services— ☐ Turnkey & Software ☐ Network & Processing ☐ Systems Integration ☐ Professional Svc.

5. **If User:** User Type— ☐ Client ☐ Former/Report Client ☐ Prospect

- Comm. Contact Level— ☐ Executive ☐ IS Mgmt. ☐ Other
- Fed. Contact Level— ☐ Executive ☐ Acquisition ☐ Prog. ☐ Manager/Technical ☐ Other
- If Fed. Executive— ☐ Info. Resource Mgr. ☐ Asst. Secretary ☐ Commander (Military) ☐ Agency Head
- If Fed. Other— ☐ Laboratory ☐ NIS ☐ Users ☐ GSA

* No names will be added without a completed change order and program manager approval.

Program Manager Authorization _____

CONTACT REPORT Continuation

Company _____

Name _____

INPUT

Atrium at Glenpointe, 400 Frank W. Burr Blvd., Teaneck, NJ 07666 Tel. (201) 801-0050
Fax (201) 801-0441

MEMORANDUM

DATE: March 8, 1993

TO: Scott Morrison, Andersen

FROM: Tom O'Flaherty, INPUT

SUBJECT: Telephone Interview Methodology

Overall, the methodology in the proposal still looks sound. I have one question and one suggestion:

Question: The interviews are aimed at supplying information on 6 market segments. Which 6 should it be? For example, how much do we want to subdivide "products" and "financial services"?

Suggestion: We will be aiming at both IS executives and function heads. I suggest that if IS executives or function heads refer us to a direct report who specializes in this that we take the information from them. My developing view is that, especially on the functional side, that we will get at least as good information from this sort of second level person: They will have good insight into how the process actually works.

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Fax (201) 801-0441

FAX TRANSMITTAL FORM

Date: Mar 8

Confidential: Y / N
Urgent: Y / N

To: Name: Scott Momsa

Tel./Location: 507-5666

Co.: Andersen

Page: 1 of 2

Fax No: 312-507-8111

File: Chron
Contact
Other:

From: Tom O'Flaherty

Subject: Interview Methodology

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Fax (201) 801-0441

FAX TRANSMITTAL FORM

Date: March 2

Confidential: Y / N
Urgent: Y / N

To: Name: Mary

Tel./Location:

Co.: Westfield

Page: 1 of 3

Fax No: 908-654-0290

File: Chron
Contact
Other:

From: Tom

Subject: cc of memo to Scott

Scott called back late yesterday to say that we are all on target. He & Janice especially liked the new security language

Proposed alternate language for recruiting senior managers for focus group:

"I am calling to invite you to a focus group to discuss your options for making information systems applications more responsive to business needs."

[CEO/COO/General Manager: "We are looking for a senior management perspective on the relationship between information systems and the overall business; we are less interested in tactical or technical issues -- we have already had focus groups where this level of issue was discussed."

MEMORANDUM

DATE: March 1, 1993

TO: Scott Morrison, Andersen

CC: Mary Brautigam

FROM: Tom O'Flaherty

SUBJECT: Chicago Focus Group

This will summarize my understanding of the parameters for this group which you and I have agreed to. In some cases these parameters represent verbal modifications to the screener received here on Friday:

1. Size: $500MM in sales (with preference for $1 billion); $1 billion in assets

2. Industries (with rough number of target companies, based on size cutoffs)

   - Telecom (2)
   - Financial services
     - Big banks (6)
     - Financial markets (3)
     - Exchanges (3)
     - Insurance companies (4)
   - Products (including distribution) (50)

3. Titles:

   - CEO
   - President
   - COO
   - CFO/VP Finance (if highest)
   - VP Administration
   - VP Manufacturing
   - VP Operations (in products)
   - VP/GM (in products)

4. Proposed alternate language: Attached is language we will be trying, which I read to you on Friday; we may modify this further if it seems to be pointing us in the right direction.

5. We are recruiting for 6 PM on Thursday, March 11. We are starting with the senior titles in the largest companies first. However, the concern that I expressed to you before is that we will still end up with VP-level people from the companies that are relatively smaller, due to the compressed time scale of recruitment.

6. We will send you the first status report at the end of the day tomorrow.

APPLICATION MANAGEMENT
FOCUS GROUP TOPIC GUIDE
Version 2 - Function Heads - Chicago
Page 1

1. Application Management: What is it?

   - o Group's reaction to "definition" (presented at start to put topic in context). Do they have a different definition?
     - What do they think of it?
     - What would they add/delete from it?
   - o Reaction to term "application management". What does the term summon up? Is anything better?

2. What organizational units are involved? Who does what?

   - o How is it done?
   - o How satisfied are you with the current process?
   - o Does it have to be done internally or can it be done externally?

3. What do they see as the payoffs from successful application management? (Current benefits. Examples/prompts:

   - o **Unaided responses first.**

   Show the following list and have them rank:

   - o Increase users' control over applications/business function
   - o Integrate applications with ongoing business processes
   - o Faster, more responsive change (flexible)
   - o Access to technological competences
   - o Access to additional resources
   - o Cost savings
   - o Reduce delay of new systems installation

APPLICATION MANAGEMENT
FOCUS GROUP TOPIC GUIDE
Version 2 - Function Heads - Chicago
Page 2

4a. Sources of application management (expectations; strengths and weaknesses of each):

- o IS department (where not part of functional area)
- o Functional area's own IS operation
- o Third party (vendor)

4b. Explore the amount of each used now, including trends in levels of use and reasons for each use.

5. What are the factors in selecting an application management supplier? Examples/prompts:

- o Experience using or having used an application management vendor
  - Own experience (person; business unit)
  - Firm's experience
  - Experience of others in same industry
  - Other experience
- o Technical and applications capabilities
- o Experience with vendor as an SI supplier
- o Vendor's experience as data center outsourcer

6. What are the key motivators behind securing application management services?

- o Cost
- o Redeployment of resources

APPLICATION MANAGEMENT
FOCUS GROUP TOPIC GUIDE
Version 2 - Function Heads - Chicago

7a. Who do expect to do application management?
(Unaided list of vendors/types of vendors)

7b. What is the assessment of the strengths and weaknesses of specific vendors in this area?
(Current list: Andersen, EDS, IBM, ISSC (of IBM), Digital)

- o What is the basis for the assessment? (direct experience, secondhand experience, general reputation)
- o Which one(s) would they be likely to use? (A vendor need not be on the target list)
Not use? Why? Why not?

8a. Which of your applications are more likely to be outsourced? Why? Less likely to be outsourced? Why?

- o Mission-critical vs. non-mission-critical
- o Strategic vs. non-strategic

9. How do you expect to pay for these types of services?

- o (Unaided responses first)
- o Time and materials
- o Fixed fee over a period of time
- o Fees based on cost savings (value billing)

10. What advice do they have to give to vendors who want to succeed in the application management business? Explain by describing your "ideal" vendor.

(Proposed Definition)

Application Management

Support for all applications relating to one or more business functions on an ongoing basis, including (some or all):

- Developing new applications for supporting the business
  - Are new applications being reengineered?
  - Applying new technologies
- Expanding or enhancing functions of existing software
  - Making existing software easier to use
- Fixing existing software
- Making existing software easier to use (e.g., GUIs)
- Training
- Setting up/running help desks

Does not include the operation of data centers or other hardware.

AR234

APPLICATIONS STUDY

Hello, my name is _____. I am calling from INPUT in Teaneck, New Jersey. We are an international research and consulting firm doing a study on [how computer applications can be more responsive to business needs.]*

*For IS respondents: [the potential for outsourcing the management of applications]

We would like for you to take part in this study by answering several questions on how applications are supported in your organization. Neither your name or the name of your firm will be associated with any of the data collected for this study. In return for your taking part in this study, we will send you a summary of the study at no charge.

[Insert screener questions]

1a. To the left of the heavy line on Exhibit A is a set of activities that support computer-based applications on an on-going basis. For the typical company, these activities can consume one-third of the information systems budget.

1b. Overall, how important to your company are the activities to the left of the heavy line (on a scale of 1 to 5, with 5=high importance and 1=low importance)? Why?

1c. How satisfied is the company with the performance of these activities from the standpoint of

- o Cost ___
- o Helping support business objectives ___
- o Responsiveness to change ___

Please rate each of these on a scale of 1 to 5, with 5 = very satisfied and 1 = very unsatisfied. Why did you give these ratings?

1d. What changes are planned in the way these activities are handled?

2. You may have noticed that I have not used a single term to describe these activities. I'm going to read several terms. Tell me which one you think best fits the set of activities to the left of the heavy line. -- or, if you think another term is better, please tell me what it is. [Note to interviewer: read the list in the order of the circled numbers.]

(will be random-ized)

(3) Application Management ___

(1) Applications Support ___

(2) Applications Maintenance ___

Other _____ ___

- o If "Application Management" was not cited, ask the following question: Why didn't you not select "Application Management" as the term of choice?

3. Is your company now using a vendor to provide any Application _____ [insert interviewee's term] services?

Yes ___ No ___

- o Why?

If Yes

- o Which services?
- o How likely is your company to use additional services in the next 2 years (rated on a scale of 1 to 5, with 5 = very likely and 1 = very unlikely) ____ Why?

If No

- o Would your firm consider going to an outside provider of Application _____ [insert interviewee's term] services? Yes ____ No ____
- o Why?

If Yes:

- o For which services or activities (listed on Exhibit A)?
- o How likely is this to happen in the next 2 years (on a scale of 1 to 5, with 5 = very likely and 1 = very unlikely) ___ Why?

4a. If your firm were to use a vendor for these services, please describe the process that would be followed, starting with

4b. Who would recommend that an outside source be considered? Who would ultimately decide that an outside source be considered?

4c. Who would draw up the short list of potential vendors?

4d. Please rate the importance of the following vendor selection criteria on a scale of 1 to 5, with 5 = very important and 1 = not important. [Read groups in the order of the circled numbers.]

(3)
- Experience in the particular application ___
- Terms and conditions ___

(1)
- Knowledge of business practices in your industry ___
- Technical skills
- References

(2)
- Your company's experience with the vendor ___
- Price ___
- Other (_____) ___
- Other (_____) ___

4e. Who would recommend the vendor to be selected? Who would approve?

4f. To what extent would this process vary depending on the dollar value of the potential contract?

5a. There are a number of vendors who could provide these services. How would you describe the strengths and weaknesses of the following vendors for providing Application _____ [insert interviewee's term] services?

[Note to interviewer: read the list in the order of the circled numbers.]

(3) Andersen Consulting ___

- o Strengths
- o Weaknesses

(1) EDS ___

- o Strengths
- o Weaknesses

(2) IBM ___

- o Strengths
- o Weaknesses

Are there any other vendors you think should be added to the list? [If Yes, add below]

_____ ___

_____ ___

_____ ___

5b. If you had to sum up the overall capability to provide Application _____ for each of these vendors in a single numeric rating, what rating would you give each one, on a scale of 1 to 5, with 5 = Highly qualified and 1 = Not qualified. [Enter rating next to names above.]

6a. Up to now, we have focused on the left side of Exhibit A. To what extent in general do you think that the activities on the left side cannot easily be separated from those on the right side? (Discuss)

6b. Are there specific activities on the right side of Exhibit A that you believe are tied very closely to Application _____? Are there any other activities that you believe we have left off either side of Exhibit A? [Check off below and have respondent discuss.]

Acquiring packaged software ___

Packaged software maintained/enhanced by the software vendor ___

Vendor-provided business or processing services ___

Vendor outsourcing of data center or network operations ___

Other _____ ___

7. If a vendor were planning to offer Application _____ services on a large scale basis, what advice would you give?

COMTA FT REPORT

Contact Date:

Date Written:

☐ IHPU office ☐ Cit Office Pe ter

Prospect ID

Director Phone

Director

Address

Phone / E-mail

Work Time

DISPOSITION:

INPUT

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Fax

CONTACT REPORT

INPUT Staff: Init. TQR Init. _____ ☐ INPUT office ☐ Client Office ☒ Other Tel

Contact Date: 3/10/93

Date Written: 3/10/1

Company	Andersen	DISTRIBUTION: Action	Info.	By When	Prog./Proj. ID YA2 Describe Action-F/U
Name	Scott Monsa	TQR	PAC		Prepare Ø1
Title					presentation
Address					→ Scott may call
Phone: (312) 507-5866			PL		PAC to give
Fax: ( ) -			JP		status

(1) 5th (i.e. add'l) focus group canceled — couldn't get enough people in the 8 day recruitment time

(2) Scott said to focus on doing a first class job on Ø1 ("qualitative") findings
- INPUT to present findings
- Andersen to show video highlights + implications to Andersen

(3) Ø2 (tel interviews) will be postponed (or not done at all) until after Ø1 presentation
- Had fallen behind starting interviews because of attempt to schedule 5th focus group
- Scott was concerned that we might have problems in getting through to sr functional mgrs for tel interviews since they were the ones we had trouble recruiting in the focus groups. (I had already suggested interviewing a direct repeat if referred by target)
- Scott didn't want to take risk of cramming in the interviews ←

Continued over

Mail List Change Order 1. ☐ Update ☐ Correction ☐ Deletion ☐ Addition* Serial Number_____

2. **Customer Type:** ☐ Vendor ☐ Others ☐ Media ☐ User

3. **Newsletters:** ☐ EDI ☐ Field Service ☐ Other

4. **Vendor:** Vendor Type—☐ Client ☐ Former/Report Client ☐ Prospect

- Contact Level—☐ Executive ☐ Acquisition ☐ International ☐ Other
- If Exec. or Other Contact Level—☐ Maintenance ☐ Equipment ☐ Communications ☐ Others ☐ Info. Svc.
- If Info. Services—☐ Turnkey & Software ☐ Network & Processing ☐ Systems Integration ☐ Professional Svc.

5. **If User:** User Type—☐ Client ☐ Former/Report Client ☐ Prospect

- Comm. Contact Level—☐ Executive ☐ IS Mgmt. ☐ Other
- Fed. Contact Level—☐ Executive ☐ Acquisition ☐ Prog. ☐ Manager/Technical ☐ Other
- If Fed. Executive—☐ Info. Resource Mgr. ☐ Asst. Secretary ☐ Commander (Military) ☐ Agency Head
- If Fed. Other—☐ Laboratory ☐ NIS ☐ Users ☐ GSA

* No names will be added without a completed change order and program manager approval.

Program Manager Authorization _____

CONTACT REPORT Continuation

Company Andersen

Name Morrison

analysis & have loose ends at Mar 31 (approx) presentation. Doesn't want to risk INPUT / Andersen relationship

(4) Scott was appreciative for all that we have done for him on a tight schedule

(INPUT is still on his very "short list" of vendors)

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Fax (201) 801-0441

FAX TRANSMITTAL FORM

Date: 3/5

Confidential: Y / N
Urgent: Y / N

To: Name: Mary

Tel./Location:

Co.:

Page: 1 of 9

Fax No: 908-654-0290

File: Chron
Contact
Other:

From: TOR

Subject: FYI - Tel Questionnaire

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INDIA

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****
*** ACTIVITY REPORT ***
****

TRANSMISSION OK

TX/RX NO.	2298
CONNECTION TEL	19086540290
CONNECTION ID	
START TIME	03/05 16:58
USAGE TIME	04'59
PAGES	9
RESULT	OK

INPUT

Atrium at Glenpointe, 400 Frank W. Burr Blvd., Teaneck, NJ 07666 Tel. (201) 801-0050
Fax (201) 801-0441

March 4, 1993

To: Scott Morrison, Andersen

From: Tom O'Flaherty, INPUT

Subject: Attached Draft Questionnaire

I am sending you a draft copy tonight because it is possible there may be bad weather here tomorrow morning that could delay my getting in. This way, worst case, you have a fairly final draft -- one failing is that it has not been prettied up by an expert in such things.

Several observations:

1. The questionnaire is linked to an exhibit (which is very similar to the one prepared for Andersen earlier). We fax this to the interviewee before the interview. We have found the process works well for introducing this kind of information.

2. I have not had time to explicitly link the questionnaire answers to specific outputs, findings, etc. For the most part, I think this is fairly obvious, but it remains to be done.

3. Starting in Question 3, I decided to go with whatever term the respondent decided to use in Question 2. I tried a variant of "imposing" our term, but besides being impolite, it was awkward and took time. I think the interviewers can handle it

4. Questions 2 and 5a refer to "circled numbers. In both cases, we will vary the order in which the options are given in order to control the "first in line" syndrome. The handwritten numbers are examples.

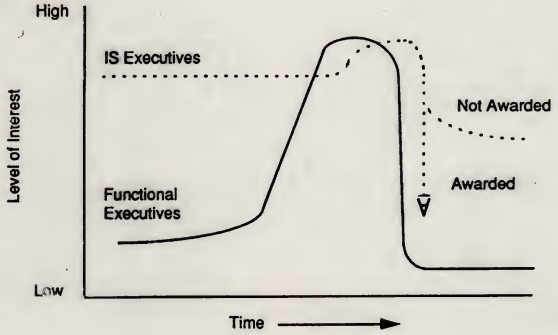
4. Question 4d (vendor selection) will be expanded to make selection factors more explicit, although I don't want to spend too much time, since we're probably not going to find anything earthshaking.

5. I omitted the "how to do you expect to pay", since that is the area where we seem to have gotten some of the less satisfying responses.

6. Overall, I have tried to get a balance between scalable and open-ended questions. Most of the open-ended questions can be classified and quantified. I think the results will be more useful that way and will present more opportunities for crosstabs.

Like I said, I hope to look at this fresh tomorrow and make more changes. So keep this version out of circulation, unless we need to use it.

DATA CENTER OUTSOURCING: TYPICAL LEVEL OF INTEREST/ INVOLVEMENT IN AN ENTERPRISE



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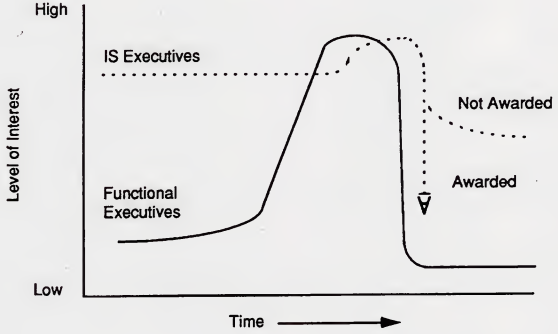

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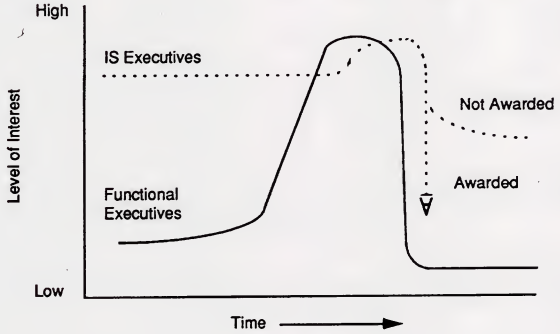

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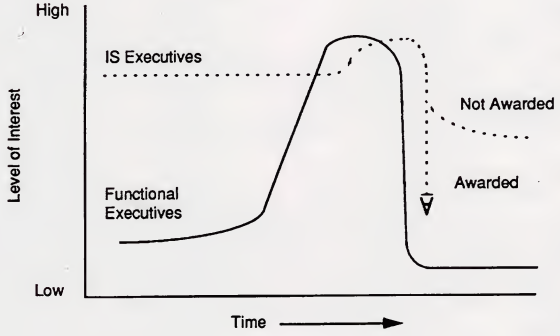

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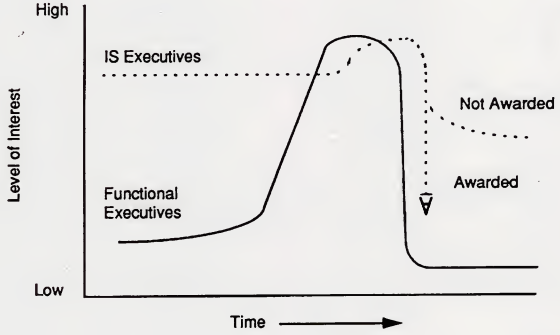

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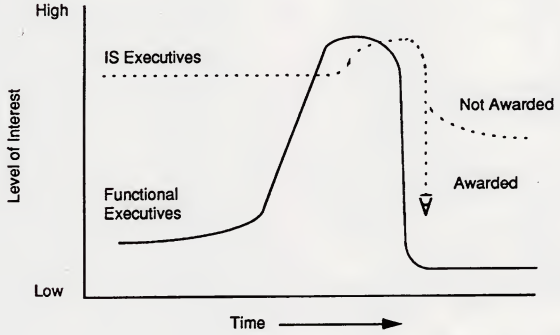

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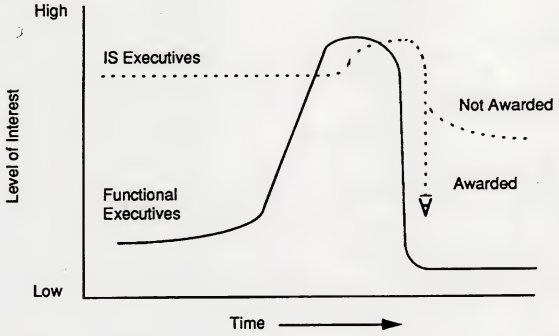

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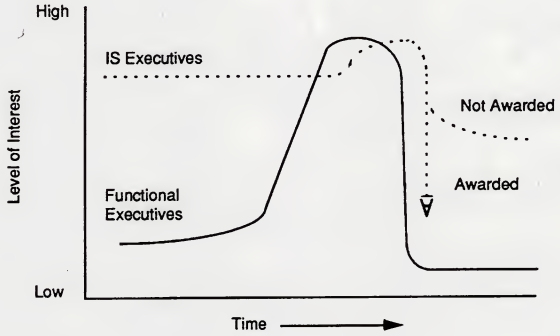

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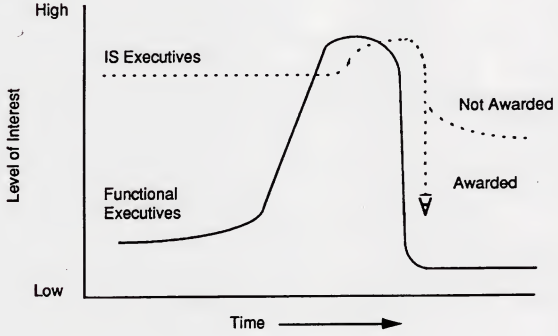

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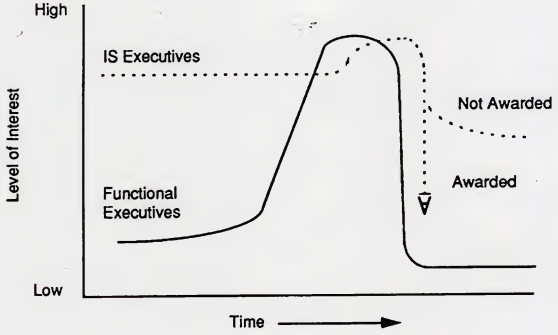

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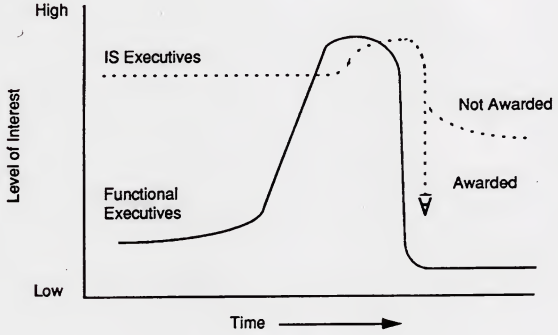

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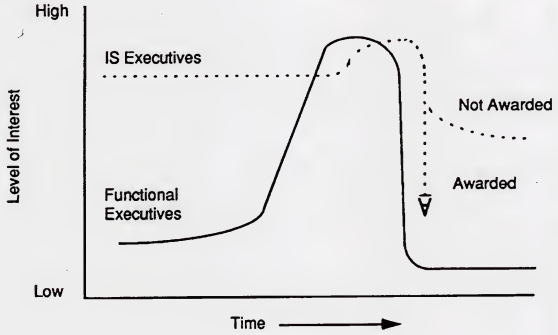

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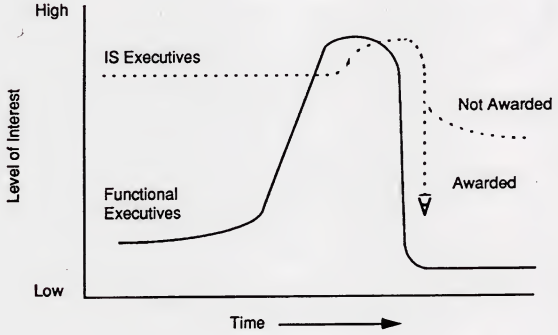

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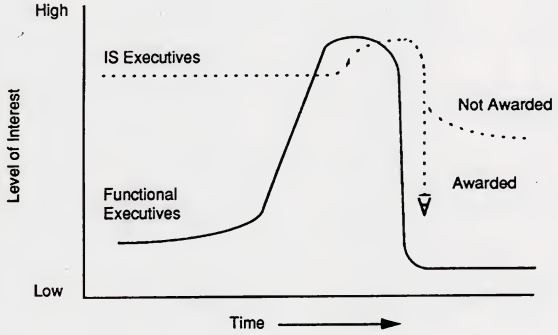

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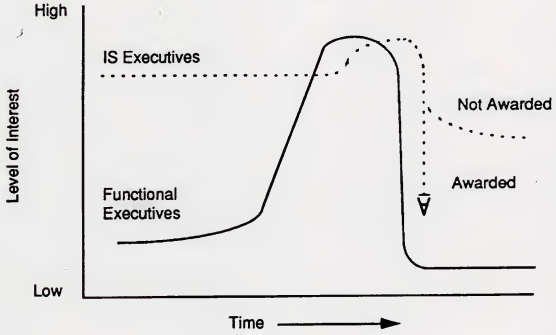

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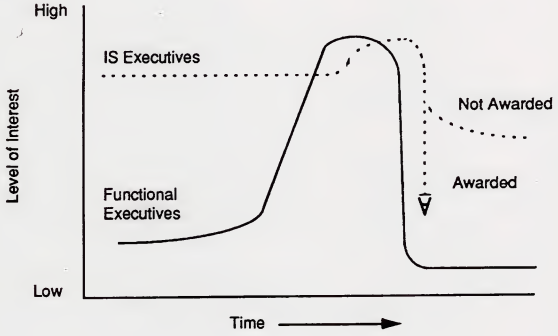


THE APPLICATION MANAGEMENT OPPORTUNITY

- Applications-related expenditures are large
- Vendor penetration varies significantly, and is especially low in software support
- IS budgets are flat
- Functional departments are assuming greater control over applications

APPLICATION MANAGEMENT PRESENTATION OUTLINE

- The Opportunity
- Study Objectives
- Study Methodology
- Application Management: What is it?
- Executive Involvement in Application Management
- Application Management Payoff
- Current Sources of Application Management
- Vendor Selection Criteria
- Vendor Recognition and Assessment
- Summary

Presentation

Application Management

Exploratory Research:

Qualitative Findings

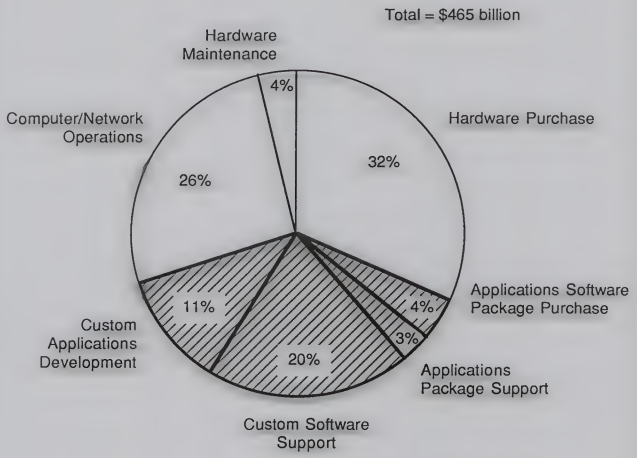
April 7, 1993

INPUT

The Atrium at Glenpointe
400 Frank W. Burr Boulevard
Teaneck, New Jersey 07666

201-801-0050
Fax: 201-801-0441

Selected U.S. IT Expenditures (1992)



= Applications-related expenditure

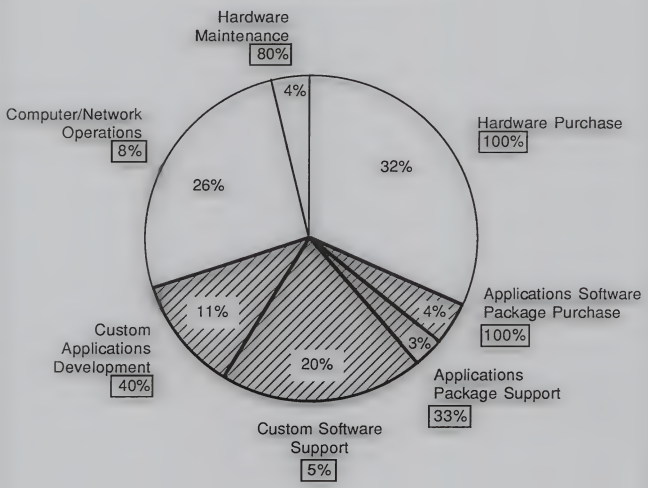
Excludes: Non-application software, processing services, facilities and communications costs

YA2.2
3/93

Selected U.S. Information Systems/Services Expenditures by Supplier (1992)

	Expenditures by Supplier ($ Billion)			
	In-House	Vendor	Total	Vendor %
Applications-Related				
· Applications Packages	0	$20	$20 (4%)	[100%]
· Applications Package Support	10	5	15 (3%)	[30%]
· Applications Development Custom	30	20	50 (11%)	[40%]
· Custom Application Support	85	5	90 (20%)	[5%]
Hardware Related				
· Hardware Purchase	0	150	150 (32%)	[100%]
· Maintenance	4	16	20 (4%)	[80%]
· Operations	110	10	120 (26%)	[8%]
TOTAL	$239	$226	$465 (100%)	[49%]

Selected U.S. IT Expenditures and Percent Held by Vendors



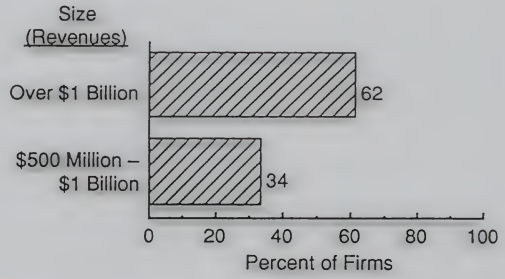
[%] = Percent of revenue held by by vendors

= Applications-related expenditure

Excludes: Non-application software, processing services, facilities and communications costs

YA2.3
3/93

USER DEPARTMENTS WITH MORE APPLICATIONS DECISION MAKING THAN IS



Source: Interviews with 67 IS departments

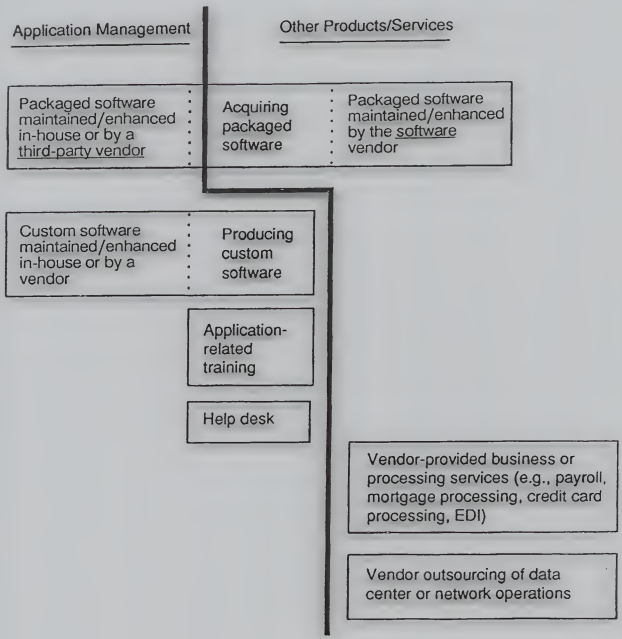
STUDY OBJECTIVES

- Receptivity to service
- Receptivity to name ("Application Management")
- How is application management supplied now? Future?
- Vendor recognition
- Differences between functional management and IS management

STUDY METHODOLOGY

- Focus groups
  - Functional executives (two groups)
  - IS executives (two groups)
- One-on-one interviews
- Structured topic guide (in synch with outline)
- Industry focus
  - Manufacturing
  - Financial services
  - Telecommunications
  - Retail/wholesale
  - Hospitals
- Generally, over $500 million in sales (or equivalent)
- Functional: Executive management and their direct reports
- IS: CIO or equivalent

DIVISIONS BETWEEN APPLICATION MANAGEMENT AND OTHER PRODUCTS/SERVICES



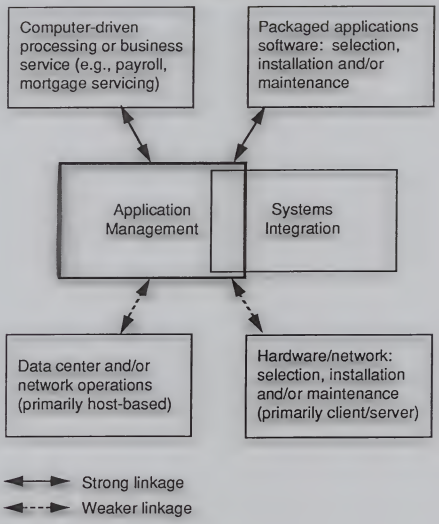
APPLICATION MANAGEMENT: WHAT IS IT?

- Executives are receptive to the concept of Applications Management
  - Functional executives see Application Management as a type of outsourcing
  - IS executives are nominally open to the concept, but are actually quite defensive

APPLICATION MANAGEMENT: WHAT IS IT? (Cont.)

- Generally, Application Management does not seem a naturally cohesive set of functions for both functional executives and IS executives.
  - Application Management is seen as overlapping or linked to other IS-oriented services and solutions

Application Management Linkages



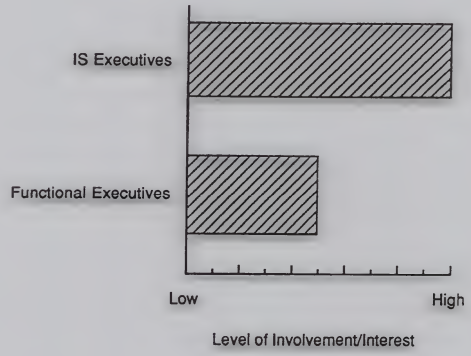
APPLICATION MANAGEMENT: WHAT IS IT? (Cont.)

- Executives are not responsive to "Application Management" as a term.
  - "Application Management" summons up few images.
  - Executives have few alternatives to offer.

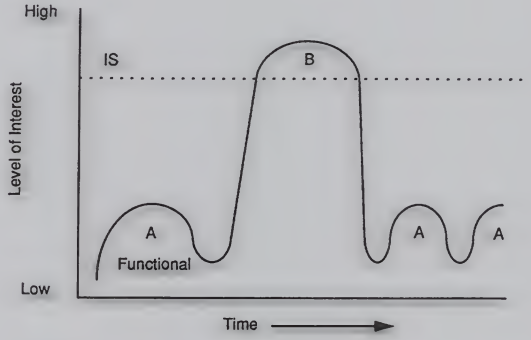
INVOLVEMENT IN APPLICATION MANAGEMENT: FUNCTIONAL AND IS EXECUTIVES

- Functional executives: Episodic involvement
  - Generally low level of ongoing involvement
    - -- Delegate responsibilities inside department; and/or,
    - -- Share responsibilities with or rely on IS
  - Higher level of involvement if there is an immediate problem/opportunity and/or if the functional executive has an IS background or a strong interest in IS.
- IS executives' position is more straightforward: "It's my job".

APPLICATIONS MANAGEMENT: LEVELS OF INVOLVEMENT/INTEREST



APPLICATION MANAGEMENT: TYPICAL LEVEL OF INTEREST/ INVOLVEMENT IN AN ENTERPRISE



A = Change/problem in existing application
B = Application-related opportunity

APPLICATION MANAGEMENT PAYOFF

- For functional executives:
  - Keep business running
  - Secondarily, make significant improvements
- For IS executives: Keep jobs
- Order of magnitude improvement?
  - No immediate perception
  - Contrast to SI or computer systems outsourcing

SOURCES OF APPLICATION MANAGEMENT

- IS as supplier is still the rule

- Executives provided few examples of "pure" application management
  - "Body shop" maintenance
  - Processing services
  - SI plus follow-on

- Both kinds of executives see vendors as credible suppliers of application management services.

VENDOR SELECTION CRITERIA

- Critical elements (for both functional Executives and IS executives)
  - Industry/applications knowledge
  - Cost
  - Vendor stability
- Additional criteria from IS executives
  - Quality of people assigned to project
  - Technical expertise

VENDOR RECOGNITION AND ASSESSMENT

- Unassisted recall
- Based on overall SI/professional services image
- Mainly direct experience;
  Some second-hand experience

THREE TIERS OF RECOGNITION

Level of Identification	Vendors
1. Strong	Andersen, EDS
2. Weaker, but widespread	IBM
3. Blurred, fragmentary	Other Big 6
	DEC
	CSC
	Specialists

APPLICATION MANAGEMENT STRENGTHS AND WEAKNESSES

	Andersen	EDS	IBM
Strengths	· People · Industry knowledge	· Industry knowledge · Ability to deliver	· Resources
Weaknesses	· Cost · Youth	· Cost · FM image	· Industry knowledge · Inflexibility · Mainframe/ hardware reputation · Size/ responsive-ness

SUMMARY

- The application management opportunity is coming into focus.

- Andersen Consulting is well-positioned to be a supplier.

SUMMARY Cont.

- Application Management is not clearly defined in buyers' minds.
  - Application management pieces are being performed, but usually not as an explicit whole.
  - Buyers also see application management as part of a larger selection of offerings.
- The payoff to application management is not well-visualized nor is it financially-driven (in contrast, for example, to systems operations outsourcing).
- Mid-level specifiers and gatekeepers in functional departments appear to be key to allowing vendors access to application management opportunities.
- IS is often well-placed to block vendors.

Functional - 1

Sample Recruiting Guide

Revised XX/XX/XX
Recruiter_____

Date_____

GROUP SCHEDULED:
CITY_____
DATE_____
TIME_____

Name_____

Title_____

Company_____

Address_____

City, State, Zip_____

Telephone_____

FAX (if available)_____

Hello, my name is _____. I am calling to invite you to a focus group to discuss the pros and cons of outsourcing the management and support of computer applications (not running the data center).

1. Does your unit have a significant responsibility for selecting or deciding on the changes to computer applications that affect your unit?

o Yes ____ (go to question 2)

o No ____ (Thank person for their help and terminate)

2. Has your unit been involved in this kind of outsourcing or will it have an interest in the concept?

o Have done ____

o Are doing now ____

o Have considered it ____

o Are considering it now ___

o Have an interest in the concept ____

If Yes to one of the above, continue to question 3

If No to all the above, ask: "Who in your unit would be involved or interested?"

o Get name, title and telephone number.

o Thank person for their help and terminate

Sample Recruiting Guide

Revised XX/XX/XX
Recruiter_____

Date_____

GROUP SCHEDULED:
CITY_____
DATE_____
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Name_____

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o No ____ (Thank person for their help and terminate)

2. Has your company been involved in this kind of outsourcing or will it have an interest in the concept?

o Have done ____

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CITY_____
DATE_____
TIME_____

Name_____

Title_____

Company_____

Address_____

City, State, Zip_____

Telephone_____

FAX (if available)_____

Hello, my name is _____. I am calling to

January 22, 1993

To: Scott Morrison, Andersen

Fm: Tom O'Flaherty, INPUT

Sub: Focus Groups Composition

1. We notice that on your list of Andersen industries and titles that publishing/media/entertainment are not included. However, a number were on the list of the sample focus group list you provided us with. Since both NYC and LA have a good proportion of these, is it ok to use them?

2. We think that the titles for banking and insurance should be expanded to take into account industry-specific titles. Suggestions:

o Banking (VPs or above)

- Retail banking/branch operations
- Corporate banking
- Trust
- International banking
- Trading

o Insurance (VP probably ok, not as much title inflation)

- Claims
- Operations
- Chief Actuary (or equivalent)

3. I will send you a draft of the recruitment qualifier early Monday.

W
M
R

WESTFIELD MARKETING RESOURCES, INC.

234 West Dudley Avenue, Westfield N.J. 07090

Phone: (908) 654-8636 or (908) 233-6137 Fax: (908) 233-6137

Sample Recruiting Guide

Revised XX/XX/XX
Recruiter_____

Date_____

GROUP SCHEDULED:
CITY_____
DATE_____
TIME_____

Name_____

Title_____

Company_____

Address_____

City, State, Zip_____

Telephone_____

FAX (if available)_____

Hello, my name is _____. I am calling to invite you to a focus group to discuss the needs of managers in large corporations for [illegible]. We will discuss what is being done today and some alternatives for the future.

1. Are you involved with XYZ function for your firm or division?
   Yes _____
   No _____TERMINATE
   IF NO, ASK, "WHO IS RESPONSIBLE FOR XYZ FUNCTION TELECOMMUNICATIONS FOR YOUR FIRM OR DIVISION?"
   GET NAME AND TELEPHONE NUMBER. THANK PERSON FOR THE HELP AND TERMINATE.

2. How frequently do you need external services?
   Daily_____
   Weekly_____
   Twice a month____
   Monthly_____
   Less frequently_____ (TERMINATE)

3. Where do you get external services? (READ LIST AND CHECK ALL THAT APPLY)

   a. _____
   b. _____
   c. _____
   d. _____

4. What kinds of services do you need that are not available in your firm? (READ LIST AND CHECK ALL THAT APPLY)

   a. _____
   b. _____
   c. _____
   d. _____

We would like to invite you to a focus group to discuss your ideas, and you will be paid $ in recognition of the value of your time.

It will be held on (date) at (time)
at:

Name and address of facility

It will last about two hours and lunch (dinner) will be served.

Your attendance is important to XXX's future planning and we are only inviting a limited number of people. We consider this a firm commitment on your part and will mail you a letter confirming your participation. If an emergency comes up and you must cancel, please notify us as soon as possible so that we can invite someone else in your place. We can be reached at . IF THE PERSON CANNOT COME ON THIS DATE, ASK FOR THE NAMES OF OTHERS IN THEIR COMPANY WHO REGULARLY USE OUTSIDE SERVICES.

IF RESPONDENT QUALIFIES, INVITE TO FOCUS GROUP

The focus group will be held at.....SEE SHEETS

It will last about two hours and lunch/dinner will be served.

Your attendance is important to the success of this project and we are only inviting a limited number of people. We consider this a firm commitment on your part and will mail you a letter confirming your participation. If an emergency comes up and you must cancel, please notify us as soon as possible so that we can invite someone else in your place. We can be reached at _____.

IF THE PERSON CANNOT COME ON THIS DATE, BUT MEETS ALL OF THE OTHER CRITERIA, ASK FOR THE NAME OF SOMEONE ELSE IN TELECOMMUNICATIONS IN THE COMPANY WHO DOES THE FUNCTIONS IN QUESTION 3 WHOM WE MIGHT INVITE TO ATTEND A FOCUS GROUP.

2. What is the title of the person you report to?

a. ____
b. ____
c. ____
d. ____
e. ____

3. How long have you held this position?

Less than 2 years? _____
2-5 years? _____
more than 5 years?

If less than 2 years ask what was the person's previous job?

_____

4. Are you responsible for any of the following functions?

a. ____
b. ____
c. ____
d. ____
e. ____
f. ____

(IF HE OR SHE DOES NOT DO A, B OR C, SAY,
" WE ARE LOOKING FOR PEOPLE WHO ARE INVOLVED WITH .....
ASK WHO IN THE COMPANY DOES THESE FUNCTIONS -- GET NAME AND PHONE NUMBER, THANK PERSON FOR THE HELP AND TERMINATE)

5. Have you been involved in a focus group on a business topic in the past six months?

Yes ____
TOPIC _____ (CHECK WITH MARY OR ANN BEFORE INVITING)
No ____

the pros and cons of outsourcing the management and support of computer applications (not running the data center).

1. Does your unit have a significant responsibility for selecting or deciding on the changes to computer applications that affect your unit?

o Yes ____ (go to question 2)

o No ____ (Thank person for their help and terminate)

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If Yes to one of the above, continue to question 3

If No to all the above, ask: "Who in your unit would be involved or interested?"

o Get name and telephone number.

o Thank person for their help and terminate

3. What is your title?

o Chairman/CEO ____

o President/COO ____

o Executive VP ____

o VP of _____ _____

o CIO ____

o VP/Director of Information Services ____

If one of the above is checked: Go to question 4

Title is _____.

If none of the above: Ask: "What is the title of the person you report to?"

- o Chairman/CEO ____
- o President/COO ____
- o Executive/Sr VP ____

If one of the above: Proceed to question 5

If ~~not~~ one of the above: Get ~~Ask~~ name and title of person the respondent reports to and thank them for their time

4. What is the title of the person you report to?

- o Chairman/CEO ____
- o President/COO ____
- o Executive/Sr VP ____

on how you are ~~functional executives~~,

(User) Can attain better control of the computer applications which support ~~their~~ your functn

Notes for Andersen study (YNAN2) -- recruitment for focus groups and on-sites

- Industries: Varied -- not a primary control
- Titles: Important -- variations should be checked with Andersen before confirming appointment
- Lead-in sentence (draft): "We are conducting a study on the pros and cons of outsourcing the management of computer applications" (FS)
  - Further followup definition:
    - -- Does not include the operation of data centers or other hardware
    - -- Includes some or all of following
      - Fixing problems in existing software
      - Expanding functions of existing software
      - Setting up/expanding interfaces to other systems and applications
      - Making existing software easier to use
      - Setting up/running help desk to users
      - Supplying data and advice for new uses of applications
- Want a mix of different types of functional (end user) backgrounds:
  - Have done or are doing applications management
  - Are considering using it
  - Have an interest in the concept.
  - Note: In recruitment/qualification phase, keep track to the extent feasible the number of contacts that fall into the above categories, even/especially those who are not available for a focus group or interview, plus the number who have no interest in the subject.

Also - Coordinating/Consolidation of focus grp & on-site appointments

preliminary

ANDERSEN CONSULTING'S TARGET AUDIENCE

Industry	Size Criteria	Acceptable Titles	Percent of AC Revenues
Products -Airlines -Aerospace & Def. -Food -Retail -Process Mfg/Energy -Rep/Disc Mfg.	$1 Billion - $5B in Sales *Over $5B in Sales	Functional / MIS CEO/President / CIO COO / MIS Director VP Strategic Planning / VP of IS VP Finance/CFO VP Marketing VP Manufacturing VP Sales VP Distribution VP Engineering	45%
Financial Services -Retail Banking -Financial Mkts. -Insurance	$1B - $5B in Assets $5B - $15B in Assets *Over $15B in Assets	Functional / MIS CEO/President / CIO COO / MIS Director VP Marketing / VP of IS VP Finance/CFO	26%
~~Government~~	Small (Major cities) Medium (State) *Large (Federal)	Functional / MIS Division Head / MIS Director Agency Head / Dir Info Systems Asst. Deputy Director / Senior-most IS Exec. Program Director State Level: Deputy Commissioner Assistant Commissioner	13%

*Emphasis

JAN 6 '93 16:57 PAGE.002

APPLICATIONS STUDY

Hello, my name is _____. I am calling from INPUT in Teaneck, New Jersey. We are an international research and consulting firm doing a study on [how computer applications can be more responsive to business needs.]*

*For IS respondents: [the potential for outsourcing the management of applications]

We would like for you to take part in this study by answering several questions on how applications are supported in your organization. Neither your name or the name of your firm will be associated with any of the data collected for this study. In return for your taking part in this study, we will send you a summary of the study at no charge.

[Insert screener questions]

1a. To the left of the heavy line on Exhibit A is a set of activities that support computer-based applications on an on-going basis. For the typical company, these activities can consume one-third of the information systems budget.

1b. Overall, how important to your company are the activities to the left of the heavy line (on a scale of 1 to 5, with 5 = high importance and 1 = low importance)? Why?

1c. How satisfied is the company with the performance of these activities overall from the standpoint of

- Cost _____
- Helping support business objectives _____
- Responsiveness to change _____

Please rate each of these on a scale of 1 to 5, with 5 = very satisfied and 1 = very unsatisfied. Why did you give these ratings?

1d. What changes are planned in the way these activities in Exhibit A are handled?

2. You may have noticed that I have not used a single term to describe these activities. I'm going to read several terms. Tell me which one you think best fits the set of activities to the left of the heavy line. -- or, if you think another term is better, please tell me what it is. [Note to interviewer: read the list in the order of the circled numbers.]

Application Management _____

Applications Support _____

Applications Maintenance _____

Other _____ _____

- If "Application Management" was not cited, ask the following question: Why didn't you not select "Application Management" as the term of choice?

3. Is your company now using a vendor to provide any Application _____ [insert interviewee's term] services?

Yes _____ No _____

- Why? _____

_____

_____

If Yes:

- Which services to the left of the heavy line? (Check off below.)

Packaged software maintained _____

Custom software maintained _____

Producing custom software _____

Training _____

Help Desk _____

- How likely is your company to use additional services in the next 2 years (rated on a scale of 1 to 5, with 5 = very likely and 1 = very unlikely)?

_____

Why? _____

_____

If No

- Would your firm consider going to an outside provider of Application _____ [insert interviewee's term] services?

  Yes _____ No _____

- Why? _____

  _____

  _____

If Yes:

- For which services or activities to the left of the heavy line? (Check off below.)

  Packaged software maintained _____

  Custom software maintained _____

  Producing custom software _____

  Training _____

  Help Desk _____

- How likely is this to happen in the next 2 years (on a scale of 1 to 5, with 5 = very likely and 1 = very unlikely)

  Why? _____

  _____

  _____

4a. If your firm were to use a vendor for these services, please describe the process that would be followed, starting with

_____

_____

_____

4b. Who would recommend that an outside source be considered? Who would ultimately decide that an outside source be considered?

Recommends _____

_____

Decides _____

_____

4c. Who would draw up the short list of potential vendors?

_____

_____

_____

4d. Please rate the importance of the following vendor selection criteria on a scale of 1 to 5, with 5 = very important and 1 = not important. [Read groups in the order of the circled numbers.]

Experience in the particular application _____

Terms and conditions _____

Knowledge of business practices in your industry _____

Technical skills _____

References _____

Your company's experience with the vendor _____

Price _____

Other (_____) _____

Other (_____) _____

4e. Who would recommend the vendor to be selected? Who would approve? How actively involved is the "approval" level in the process?

Recommends _____

_____

Decides _____

_____

4f. To what extent would this process vary depending on the dollar value of the potential contract?

_____

_____

_____

5a. There are a number of vendors who could provide these services. How would you describe the strengths and weaknesses of the following vendors for providing Application _____ [insert interviewee's term] services?

[Note to interviewer: read the list in the order of the circled numbers.]

Andersen Consulting _____

- Strengths _____
  _____
- Weaknesses _____
  _____

EDS _____

- Strengths _____
  _____
- Weaknesses _____
  _____

IBM _____

- Strengths _____
  _____
- Weaknesses _____
  _____

Are there any other vendors you think should be added to the list? [If Yes, add below]

_____ _____
_____ _____
_____ _____

5b. If you had to sum up the overall capability to provide Application _____ for each of these vendors in a single numeric rating, what rating would you give each one, on a scale of 1 to 5, with 5 = Highly qualified and 1 = Not qualified. [Enter rating next to names above.]

6a. Up to now, we have focused on the left side of Exhibit A. To what extent in general do you think that the activities on the left side cannot easily be separated from those on the right side? (Discuss)

_____

_____

_____

6b. Are there specific activities on the right side of Exhibit A that you believe are tied very closely to Application _____? Are there any other activities that you believe we have left off either side of Exhibit A? [Check off below those tied closely and have respondent discuss.]

Acquiring packaged software	_____
Packaged software maintained/enhanced by the software vendor	_____
Vendor-provided business or processing services	_____
Vendor outsourcing of data center or network operations	_____
Other _____	_____

7a. If a vendor were planning to offer Application _____ services on a large scale basis, what advice would you give?

_____

_____

_____

7b. What would be the characteristics of the "ideal" vendor?

_____

_____

_____

AD237

APPLICATIONS STUDY

Hello, my name is _____. I am calling from INPUT in Teaneck, New Jersey. We are an international research and consulting firm doing a study on [how computer applications can be more responsive to business needs.]*

*For IS respondents: [the potential for outsourcing the management of applications]

(At the very end we'll make 2 versions)

We would like for you to take part in this study by answering several questions on how applications are supported in your organization. Neither your name or the name of your firm will be associated with any of the data collected for this study. In return for your taking part in this study, we will send you a summary of the study at no charge.

[Insert screener questions]

1a. To the left of the heavy line on Exhibit A is a set of activities that support computer-based applications on an on-going basis. For the typical company, these activities can consume one-third of the information systems budget.

1b. Overall, how important to your company are the activities to the left of the heavy line (on a scale of 1 to 5, with 5=high importance and 1=low importance)? Why?

1c. How satisfied is the company with the performance of these activities from the standpoint of

(overall)

- o Cost ___
- o Helping support business objectives ___
- o Responsiveness to change ___

Please rate each of these on a scale of 1 to 5, with 5 = very satisfied and 1 = very unsatisfied. Why did you give these ratings?

1d. What changes are planned in the way these activities are handled?

(in Exhibit A)

2. You may have noticed that I have not used a single term to describe these activities. I'm going to read several terms. Tell me which one you think best fits the set of activities to the left of the heavy line. -- or, if you think another term is better, please tell me what it is. [Note to interviewer: read the list in the order of the circled numbers.]

(will be randomized)

(3) Application Management ___

(1) Applications Support ___

(2) Applications Maintenance ___

Other _____ ___

(we'll draw these in later)

- o If "Application Management" was not cited, ask the following question: Why didn't you not select "Application Management" as the term of choice?

3. Is your company now using a vendor to provide any Application _____ [insert interviewee's term] services?

Yes ___ No ___

- o Why?

If Yes

(to the left of the heavy line)

- o Which services? [Check off below]

Insert A

- o How likely is your company to use additional services in the next 2 years (rated on a scale of 1 to 5, with 5 = very likely and 1 = very unlikely) ____ Why?

If No

- o Would your firm consider going to an outside provider of Application _____ [insert interviewee's term] services? Yes ____ No ____
- o Why?

If Yes:

to the left of the heavy line? (Check off below)

- o For which services or activities (~~listed on Exhibit A~~)?

Insert A

- o How likely is this to happen in the next 2 years (on a scale of 1 to 5, with 5 = very likely and 1 = very unlikely) ___ Why?

4a. If your firm were to use a vendor for these services, please describe the process that would be followed, starting with

4b. Who would recommend that an outside source be considered? Who would ultimately decide that an outside source be considered?
- Recommend?
- Decides

4c. Who would draw up the short list of potential vendors?

4d. Please rate the importance of the following vendor selection criteria on a scale of 1 to 5, with 5 = very important and 1 = not important. [Read groups in the order of the circled numbers.]

(3)
- Experience in the particular application ___
- Terms and conditions ___

(1)
- Knowledge of business practices in your industry ___
- Technical skills
- References

(2)
- Your company's experience with the vendor ___
- Price ___
- Other (_____) ___
- Other (_____) ___

4e. Who would recommend the vendor to be selected? Who would approve? ← How actively involved is the "approval" level in the process?
- Recommend
- Approve

4f. To what extent would this process vary depending on the dollar value of the potential contract?

5a. There are a number of vendors who could provide these services. How would you describe the strengths and weaknesses of the following vendors for providing Application _____ [insert interviewee's term] services?

[Note to interviewer: read the list in the order of the circled numbers.]

(3) Andersen Consulting ___

- o Strengths
- o Weaknesses

(1) EDS ___

- o Strengths
- o Weaknesses

(2) IBM ___

- o Strengths
- o Weaknesses

Are there any other vendors you think should be added to the list? [If Yes, add below]

_____ ___

_____ ___

_____ ___

5b. If you had to sum up the overall capability to provide Application _____ for each of these vendors in a single numeric rating, what rating would you give each one, on a scale of 1 to 5, with 5 = Highly qualified and 1 = Not qualified. [Enter rating next to names above.]

6a. Up to now, we have focused on the left side of Exhibit A. To what extent in general do you think that the activities on the left side cannot easily be separated from those on the right side? [Discuss.]

6b. Are there specific activities on the right side of Exhibit A that you believe are tied very closely to Application _____? Are there any other activities that you believe we have left off either side of Exhibit A? [Check off below and have respondent discuss.]

(those tied closely)

Acquiring packaged software ___

Packaged software maintained/enhanced by the software vendor ___

Vendor-provided business or processing services ___

Vendor outsourcing of data center or network operations ___

Other _____ ___

7a. If a vendor were planning to offer Application _____ services on a large scale basis, what advice would you give?

7b. What would be, "ideal" vendor?

(Characteristics of)

A.

Packaged software maintained —
Custom software maintained —
Producing custom software —
Training —
Help Desk —

Application Management

FOCUS GROUP TOPIC GUIDE

Revised

1. Application Management: What is it?

   - Group's reaction to "definition" (presented at start to put topic in context). Do you have a different definition?
   - Reaction to term "applications management". What does the term summon up? Is anything better?

2. How much are you involved in applications management now?

   - What organizational units are involved? Who does what?
   - What is the process? (E.g., initiation of changes, day-to-day management, education and training on changes, prioritizing new functions)
   - How satisfied are you with the current process?
   - What changes are occurring now to the management of your applications? What other changes should happen? Why? What other changes do you anticipate? When?

3a. What do you see as the payoffs from successful applications management? (Current benefits; steps in process; know how to get benefits desired, but don't yet know how to achieve) Examples/prompts:

   - Increase control over applications/business function
   - Integrate applications with ongoing business processes
   - Faster, more responsive change
   - "Better" change (what?)
   - Cost savings
   - Delay new system installation

3b. What are the "payoff" priorities? How are the payoffs being achieved now? What are the barriers? How will barriers be overcome?

4. Sources of application management (expectations; strengths and weaknesses of each)

   - IS department (where not part of functional area)
   - Functional area's own IS operation
   - Third party (vendor)
   - Amount of each used now
   - Trends in levels of use; reasons

5. What are the factors in selecting an application management supplier? Examples/prompts

   - Experience using or having used an applications management vendor
     - Own experience (person; business unit)
     - Firm's experience
     - Experience of others in same industry
     - Other experience
   - Technical and applications capabilities
   - Experience with vendor as an SI supplier
   - Vendor's experience as data center outsourcer
   - Who decides?

6. What do you expect to receive if you outsource application management to an outside vendor/consultant? Respond in terms of defining/differentiating between:

   - Maintenance
   - Enhancements
   - New Development

7. Which of your applications are more likely to be outsourced? Why? Less likely to be outsourced? Why?

8. How do you expect to pay for these types of services?

   - Fixed fee over a period of time
   - Fees based on cost savings (profit sharing)

9. What is the assessment of the strengths and weaknesses of specific vendors? [Target list: Andersen, EDS, IBM, ISSC (of IBM), Digital]

   - What is the basis for the assessment? (direct experience, secondhand experience, general reputation)
   - Which one(s) would you be likely to use? (A vendor need not on the target list) Not use? Why? Why not?

10. What advice do you have to give vendors who want to succeed in the applications management business?

Applications Management:
Proposed Definition

Includes full life cycle support, that is, some or all of following:

- Fixing problems in existing software
- Expanding functions of existing software
- Setting up/expanding interfaces to other systems and applications
- Making existing software easier to use
- Setting up/running help desk to users
- Supplying data and advice for new uses of applications
- Developing new applications for supporting the business

Does not include the operation of data centers or other hardware.

February 8, 1993

Andersen Consulting
Focus Group Participant List

New York - Function Heads
Tuesday, Feb. 9, 12:00 PM

Participant	Company	Title	Reports To	Sales/Assets	Industry
Tom Powell	A&H Sportswear Co.	CFO	CEO/Chairman	$100.0M	Product
Clark Gray	Internationale Nederlanden Group Bank	SVP Admin.	COO	$180.0B	Banking
Scott Hoyt	Carter Wallace	VP/Product Marketing	Group VP Consumer Prod.	$200.0M	Product
Ned deBourmont	Toshiba America	Dir Finance (most SR. Person)	CFO (NO English)	$1.0B	Products
Richard Morse	Lenox Hill Hospital	Dir. Medical Records	VP-Profes. Services	700 beds	Hospital
Edward Creevy	Donn Kenny Inc.	CFO	CEO/Chairman	$125M	Product

ANDERSEN CONSULTING
ARTHUR ANDERSEN & CO., S.C.

Facsimile

Market Development
69 West Washington Street
Chicago, Illinois 60602
(312) 580-0069

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Date: 1-15-93	Charge Number: 527-04	Office Number: 219	Pages to Follow: 21
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Company: INPUT		Fax Number: 201-801-0441	
To: Tom O'Flaherty		Recipient Telephone Number:	
From: Scott Morrison		Sender's Telephone Number: 312-507-5666	
Return Original to Room Number:			

Priority
☒ Immediate ☐ Overnight ☐ Normal

Please check appropriate box if distribution list is attached.
☐ Send with distribution list ☐ Send without

Comments

Here is an example of a screener and questionnaire from a past project to explore "Reengineering Issues."
Scott

If any problems result with this transmission, please call:

Operator: JAN 15 PM 12 51

Telephone Number:

FAX (312) 507-8111: under 10 pages
FAX (312) 507-2548: 10-plus pages

#4757-7-31
01/29/91

(1-5)
1
6

REENGINEERING/BUSINESS INTEGRATION QUESTIONNAIRE

RECORD INDUSTRY, CHECK QUOTAS

Hello, my name is _____. I'm calling for Decision Research, a marketing research firm in Lexington, Mass. We are conducting a study with senior level executives in American firms regarding services that are provided to your firm by management and information technology consulting companies, specifically in the area of managing change within your organization. This survey will take only 15 minutes, you should find it interesting and we will send you a summary report of the findings.

A. First of all, what is your title? (CHECK QUOTAS)

RECORD TITLE: _____

ACCEPTABLE TITLES:

Division Heads:	Information Technology Heads:	Function Heads:
CEO	CIO	VP Finance/CFO
COO	VP of Info Services	VP of Manufacturing
President	MIS Director	VP of Sales
		VP of Marketing
		VP of Distribution
		VP of Engineering

CHECK QUOTAS, NOTE: CAN ACCEPT UP TO TWO COMPLETES PER COMPANY

B. Are you the senior most person in charge of (Function/Department/Organization in QA)?

CONTINUE _____ [YES 1

ASK FOR REFERRAL TO SENIOR MOST PERSON _____ [NO 2

FEB-03-1992 09:25 FROM MERCER MGMT CONSULTING TO 9475713125872548 P.02

JAN 15 '93 13:11 PAGE.002

C What is the title of the person to whom you report?

RECORD TITLE: _____

IF INTERVIEWING FUNCTION HEAD OR INFO TECHNOLOGY HEAD, TITLE IN QC MUST BE A DIVISION HEAD

D. Which of the following would best describe your role if your company were to consider hiring an outside organization that offers services in the management and information technology consulting area?

CONTINUE _____

- I would sit on the committee to evaluate the selection 1
- I would decide myself 2
- I would make recommendations to others who would sit on an evaluation committee or to another who would make the decision himself 3

ASK FOR REFERRAL TO PERSON MORE INVOLVED IN DECISION _____

- I would not be involved in the decision 4
- Don't know/refused 9

E. Within the past two years, has your organization employed any outside organizations which offer services in the management and information technology consulting area?

- Yes 1
- No 2
- Don't know 9

FEB-03-1992 09:26 FROM MERCER MNGMT CONSULTING TO 94757131250772548 P.03

JAN 15 '93 13:12 PAGE.003

F. During the next two years, does your organization plan to employ any outside organizations which offer services in the management and information technology consulting area?

Yes	1
No	2
Don't know	9

MUST SAY "YES" TO QE OR QF TO QUALIFY. IF "NO" OR "DON'T KNOW" TO BOTH QE AND QF, THEN COMPANY IS INELIGIBLE.

ASK UTILITIES RESPONDENTS:

G. To give us an idea of the size of your organization, which of the following best describes the number of customers served by your company?

TERMINATE - INELIGIBLE QG	Less than 150,000	1	/14
	150,000 to less than 350,000	2	
	350,000 to less than 500,000	3	
SKIPTO Q1	500,000 to less than 2 million	4	
	2 million or more	5	

ASK GOVERNMENT RESPONDENTS:

G. To give us an idea of the size of your organization, would you say your organization is large, medium, or small?

Large	1
Medium	2
Small	3

ASK FINANCIAL SERVICES RESPONDENTS:

G To give us an idea of the size of your organization, which of the following best describes your organization's asset size? (READ LIST)

TERMINATE - INELIGIBLE QG	Less than $1 Billion	1	/14
SKIP TO Q1	$1 Billion to $4.9 Billion	2	
	$5 Billion to $14.9 Billion	3	
	$15 Billion or more	4	

FEB-03-1992 09:26 FROM MERCER MGMT CONSULTING TO 9475713125072548 P.04
JAN 15 '93 13:12 PAGE.004

ASK HEALTHCARE RESPONDENTS:

G. To give us an idea of the size of your organization, do you have.....?

TERMINATE - INELIGIBLE QG	Fewer than 500 beds	1	/15-16
SKIP TO Q1	500 to less than 2,000 beds	2	
	2,000 or more beds	3	

H. Is this hospital either a.....

	Yes	No
Psychiatric hospital	1	2
Or, a Veterans Administration Hospital	1	2

IF "YES" TO EITHER, TERMINATE – INELIGIBLE QH, IF NO TO BOTH SKIP TO Q1.

ASK PRODUCTS RESPONDENTS:

G To give us an idea of the size of your organization, which of the following describes your sales for the most recently completed fiscal year?

TERMINATE - INELIGIBLE QG	Less than $1Billion	1	/14
CONTINUE	$1 Billion to less than $5 Billion	2	
	$5 Billion or more	3	

ASK TELECOM RESPONDENTS:

G I'd like to confirm that your firm is a telecommunications service provider?

CONTINUE	Yes	1
TERMINATE, INELIGIBLE QG.	No	2
	Don't know	9

FEB-03-1992 09:27 FROM MERCER MGMT CONSULTING TO 9475713125072548 P.05

JAN 15 '93 13:13 PAGE.005

Q1. In the past five years, has your firm (organization) undertaken any major initiatives to achieve change within your organization? (PROBE: WE ARE INTERESTED IN CHANGES THAT AFFECT CULTURE, ORGANIZATION, AND BUSINESS PROCESSES AND PRACTICES.)

CONTINUE _____ [Yes _____ 1

SKIP TO Q5 _____ [No _____ 2

IF YES,

Q2. Could you briefly describe those initiatives?

_____

_____

_____

Q3. I'd like to read a list of potential reasons for change and have you rate the importance of each in terms of your firm by using a 10 point scale where 1 means "not at all important," and 10 means "extremely important." How important is (INSERT REASON)? ROTATE ORDER

Q4. Which one of these is the most important reason? (RECORD ON GRID)

		Rating	Most Important
( )	Becoming a more efficient organization	_____	11
( )	Becoming more competitive	_____	12
( )	Growing revenues	_____	13
( )	Controlling/reducing costs	_____	14
( )	Being more responsive to customer needs	_____	15
( )	Increasing profitability	_____	16
( )	Eliminating management layers	_____	17
( )	Reducing duplication of effort	_____	18
( )	Reducing time-to-market	_____	19
( )	Improving quality of processes	_____	20
( )	Improving employee productivity	_____	21
( )	Responding to social, political, economic uncertainty	_____	22
( )	Responding to competitors' globalization	_____	23
( )	Keeping abreast of constantly changing technology	_____	24
( )	Improving product/service quality	_____	25
	Other (specify) _____	_____	97

FEB-03-1992 09:27 FROM MERCER MNGMT CONSULTING TO 9475713125072548 P.06

JAN 15 '93 13:13 PAGE.006

ASK EVERYONE:

Q5. I'm going to read you a list of some methods that might be used to achieve change in an organization, and ask how familiar you are with each method. For each one that I read, please tell me whether you a.) have used it; b.) know a great deal about it, but have not used it; c.) are somewhat familiar with it; d.) have heard of it, but are not at all familiar with it, or e.) have never heard of the method.

Method	Have used	Know a great deal about, but not used	Somewhat familiar with method	Have heard of method, but not familiar	Never heard of
a. Total Quality Management	5	4	3	2	1
b. Reengineering	5	4	3	2	1
c. Benchmarking	5	4	3	2	1
d. Downsizing	5	4	3	2	1
e Business Integration	5	4	3	2	1
f. Time-to-Market Reduction	5	4	3	2	1
g. Restructuring	5	4	3	2	1
h. Streamlining	5	4	3	2	1
i. Realigning with Changing Customer Needs	5	4	3	2	1
j. Process Management	5	4	3	2	1
k. Business Practices Improvements	5	4	3	2	1
l. Other (specify) _____	5	4	3	2	1

Q6. How would you define:

a. The concept of "reengineering"

_____

_____

_____

b. The concept of "business integration"

_____

_____

_____

FEB-03-1992 09:28 FROM MERCER MGMT CONSULTING TO 9475713125/0725/48 P.07

JAN 15 '93 13:14 PAGE.007

ROTATE ORDER OF Q7 SERIES WITH Q8 SERIES

I'd like to define "reengineering" and get your reactions to the concept:
Reengineering involves revising business processes by first, rethinking your objectives, then, simplifying and eliminating non-value-added activities in those processes. From there you redesign or reinvent your business processes in order to achieve the value you have defined.

Q7. First, how closely does that definition match your concept of reengineering:

Very closely 3
Somewhat closely 2
Not at all closely 1

Q7a. What changes if any would you suggest to better define this concept of reengineering?

_____
_____
_____

Q7b. Have you employed "reengineering" as a method of achieving change?

CONTINUE. _____ Yes 1
SKIP TO Q7c _____ No 2
Don't know 9

IF YES,

Q7c. Did you use a consulting firm?

CONTINUE _____ Yes 1
SKIP TO Q7c _____ No 2
Don't know 9

IF YES, ASK:

Q7d Which firm did you use? (DO NOT READ, RECORD ON LIST BELOW)

Firms:

Anderson Consulting	11
A T Kearney	12
Bain and Co	13
Booz Allen	14
BCG/Boston Consulting Group	15
CAP Gemini	16
Coopers & Lybrand	17
CSC (Computer Sciences Corp.)	18
DEC/Digital Equipment	19
Deloitte-Touche	20
EDS	21
Ernst and Young	22
Hammer & Co	23
IBM	24
Index	25
KPMG/Peat Marwick	26
McKinsey	27
Nolan Norton	28
Price Waterhouse	29
Rumler & Associates	30
Symmetrix	31
URQ/United Research	32
Other (specify)	97

Q7e. Would you say that your organizations need for "reengineering" is:

Growing rapidly	1
Growing a little	2
Remaining stable, or	3
Declining	4

Q7f. Do you see reengineering more as a short-term "fad", or a long-term business strategy:

Short-term fad	1
Long-term strategy	2

FEB-03-1994 09:28 FROM HERDER MGMT CONSULTING TO 9472713125972548 P.09

JAN 15 '93 13:15 PAGE.009

Q7g. Please tell me how much you agree or disagree with the following statements about reengineering. Before I read the statements to you, I'd like to re-read our definition of reengineering: Reengineering involves revising business processes by first, rethinking your objectives, then, simplifying and eliminating non-value-added activities in those processes. From there you redesign or reinvent your business processes in order to achieve the value you have defined. Bearing that definition in mind, please tell me your level of agreement with each of the following statements. Please use a scale of 1 to 10, where 1 means you "disagree completely", and 10 means you "agree completely".
ROTATE LIST

Reengineering...		RATING
( )	a. Is risky	_____
( )	b. Can improve company performance	_____
( )	c. Can improve employee morale	_____
( )	d. Is a vague term	_____
( )	e. Can improve efficiency	_____
( )	f. Reduces cost	_____
( )	g. Can be measured and performance can be tracked	_____
( )	h. Implies the use of technology	_____
( )	i. Will make us more competitive	_____
( )	j. Improves coordination among business units	_____
( )	k. Smooths or streamlines operations	_____
( )	l. Improves customer service	_____
( )	m. Is a one-time process	_____
( )	n. Is necessary for our future performance	_____
( )	o. Requires a consultant for maximum effectiveness	_____
( )	p. Provides competitive advantage	_____
( )	q. Involves lay-offs or staff reductions	_____
( )	r. Creates tension among employees	_____
( )	s. Is expensive	_____
( )	t. Eliminates management layers	_____
( )	u. Is a continuous process	_____
( )	v. Means breaking bad habits	_____
( )	w. Takes a long-time to implement from start to finish	_____
( )	x. Provides ten-fold improvements	_____
( )	y. Can by undertaken with in-house resources	_____
( )	z. Is just more business jargon	_____
( )	aa. Needs client-server technology	_____
( )	bb. Increases productivity	_____

FEB-03-1992 09:29 FROM MERCER MGMT CONSULTING TO 9475713128725548 P.10
JAN 15 '93 13:15 PAGE.010

Q7h. In your opinion, to achieve effective change using BPR/reengineering approach, which one of the following staffing options would your company be most likely to use? (ACCEPT ONLY ONE)

Outside consultants	1
An internal team dedicated to the project	2
An internal team working on the project part-time	3
Or, institutionalizing the work as part of regular job descriptions	4

IF 2, 3, OR 4 IN Q7h, ASK:

Q7i. Would this staffing option be used with or without an outside consultant?

With	1
Without	2

Now, I'd like to define "business integration" and get your reactions to the concept: Business integration is a continuous alignment of strategy, people, business processes and technology. These four elements continuously interact to achieve the organization's vision and to produce tangible results for the organization.

Q8. First, how closely does that definition match your concept of business integration:

Very closely	3
Somewhat closely	2
Not at all closely	1

Q8a. What changes if any would you suggest to better define this concept of business integration?

_____

_____

_____

Q8b. Have you employed "business integration" as a method of achieving change?

CONTINUE	Yes	1
SKIP TO Q8e	No	2
	Don't know	9

IF YES,

Q8c. Did you use a consulting firm?

CONTINUE	Yes	1
SKIP TO Q8e	No	2
	Don't know	9

IF YES, ASK:

Q8d Which firm did you use? (DO NOT READ, RECORD ON LIST BELOW)

Firms:

Andersen Consulting	11
A T Kearney	12
Bain and Co.	13
Booz Allen	14
BCG/Boston Consulting Group	15
CAP Gemini	16
Coopers & Lybrand	17
CSC (Computer Sciences Corp.)	18
DEC/Digital Equipment	19
Deloitte-Touche	20
EDS	21
Ernst and Young	22
Hammer & Co.	23
IBM	24
Index	25
KPMG/Peat Marwick	26
McKinsey	27
Nolan Norton	28
Price Waterhouse	29
Rumler & Associates	30
Symmetrix	31
URC/United Research	32
Other (specify)	97

Q8e. Would you say that your organizations need for "business integration" is:

Growing rapidly	1
Growing a little	2
Remaining stable, or	3
Declining	4

FEB-03-1992 09:30 FROM MERCER MGMT CONSULTING TO 9475713125072548 P.12

JAN 15 '93 13:16 PAGE.012

Q32. Do you see business integration more as a short-term "fad", or a long-term business strategy?

Short-term fad 1
Long-term strategy 2

C8g. Please tell me how much you agree or disagree with the following statements about business integration. Before I read the statements, I'd like to re-read our definition of business integration. Business integration is a continuous alignment of strategy, people, business processes and technology. These four elements continuously interact to achieve the organization's mission and to produce tangible results for the organization. Bearing that definition in mind, please tell me the extent to which you agree with the following statements. Please use a scale of 1 to 10, where 1 means you "disagree completely", and 10 means you "agree completely".

ROTATE LIST

Business Integration...		RATING
( )	a. Is risky	
( )	b. Can improve company performance	
( )	c. Can improve employee morale	
( )	d. Is a vague term	
( )	e. Can improve efficiency	
( )	f. Reduces cost	
( )	g. Can be measured and performance can be tracked	
( )	h. Implies the use of technology	
( )	i. Will make us more competitive	
( )	j. Improves coordination among business units	
( )	k. Smooths operations	
( )	l. Improves customer service	
( )	m. Is a one-time process	
( )	n. Is necessary for our future performance	
( )	o. Requires a consultant for maximum effectiveness	
( )	p. Provides competitive advantage	
( )	q. Involves lay-offs or staff reductions	
( )	r. Creates tension among employees	
( )	s. Is expensive	
( )	t. Eliminates management layers	
( )	u. Is a continuous process	
( )	v. Means breaking bad habits	
( )	w. Takes a long-time to implement from start to finish	
( )	x. Provides ten-fold improvements	
( )	y. Can by undertaken with in-house resources	
( )	z. Is just more business jargon	
( )	aa. Needs client-server technology	
( )	bb. Increases productivity	

FEB-03-1992 09:31 FROM MERCER MGMT. CONSULTING TO 94757131258725#8 P.14

JAN 15 '93 13:17 PAGE.014

Q8h. Would you say that business integration is a very, somewhat or not at all realistic and attainable goal?

Very	3
Somewhat	2
Not at all	1

Q8i. Why do you say that?

_____

_____

_____

Q8j. In your opinion, to achieve effective change using the business integration approach, which of the following staffing options would your company be likely to use? (ACCEPT ONLY ONE)

Outside consultants	1
An internal team dedicated to the project	2
An internal team working on the project part-time	3
Or, institutionalizing the work as part of regular job descriptions	4

IF 2, 3, OR 4 IN Q8j, ASK:

Q8k. Would this staffing option be used with or without an outside consultant?

With	1
Without	2

JAN 15 '93 13:18 PAGE.015

FEB-03-1992 09:31 FROM MERCER MGMT CONSULTING TO 9475713125072548 P.15

Q9. For each of the following approaches to change, what consulting or professional service firms come to mind as most able to assist corporations like yours? Let's take(INSERT METHOD), which firms come to mind? (RECORD BELOW, DO NOT READ LIST OF FIRMS)

		FIRMS
a.	Business integration	
b.	Downsizing	
c.	Total quality management	
d.	Benchmarking	
e.	Reengineering	
f.	Process management	
g.	Time-to-market reduction	
h.	Restructuring	
i.	Streamlining	
j.	Realigning with changing customer needs	
k.	Business practices improvements	

Firms

Andersen Consulting	11
A T Kearney	12
Bain and Co.	13
Booz Allen	14
BCG/Boston Consulting Group	15
CAP Gemini	16
Coopers & Lybrand	17
CSC (Computer Sciences Corp.)	18
DEC/Digital Equipment	19
Deloitte-Touche	20
EDS	21
Ernst and Young	22
Hammer & Co.	23
IBM	24
Index	25
KPMG/Peat Marwick	26
McKinsey	27
Nolan Norton	28
Price Waterhouse	29
Rumler & Associates	30
Symmetrix	31
URC/United Research	32
Other (specify)	97
None	45

JAN 15 '93 13:18 PAGE.016
FEB-03-1992 09:31 FROM MERCER MGMT CONSULTING TO 9475713125807254B P.16

FOR FIRMS MENTIONED IN Q9 ASK:

Q10. Which of those firms have you used in the last five years? (RECORD ON GRID BELOW)

Q10a. Which of those firms have you used in the last year? (RECORD ON GRID BELOW)

	Q14a. Last 5 years	Q14b. Last Year
Andersen Consulting	11	11
A T Kearney	12	12
Bain and Co.	13	13
Booz Allen	14	14
BCG/Boston Consulting Group	15	15
CAP Gemini	16	16
Coopers & Lybrand	17	17
CSC (Computer Sciences Corp.)	18	18
DEC/Digital Equipment	19	19
Deloitte-Touche	20	20
EDS	21	21
Ernst and Young	22	22
Hammer & Co.	23	23
IBM	24	24
Index	25	25
KPMG/Peat Marwick	26	26
McKinsey	27	27
Nolan Norton	28	28
Price Waterhouse	29	29
Rumler & Associates	30	30
Symmetrix	31	31
URC/United Research	32	32
Other (specify)	97	97
None	46	46

FEB 03 1992 09:32 FROM MERCER MGMT CONSULTING TO 9472713128728548 P.17

JAN 15 '93 13:19 PAGE.017

Q11. Are there any management issues or problems within your organization that we haven't discussed that will be of increasing significance in the next few years?

CONTINUE ____ Yes 1

SKIP TO Q12 ____ No 2

IF YES ASK:

Q11a. Which issues?

_____

_____

_____

Just a few more questions

Q12. Would you say your organization's need for Total Quality Management initiatives is:

Growing rapidly 1
Growing at a slow 2
Remaining stable, or 3
Declining 4

Q13. Would you say your organization's need for Benchmarking initiatives is:

Growing rapidly 1
Growing at a slow 2
Remaining stable, or 3
Declining 4

FEB-03-1992 09:32 FROM MERCER MGMT CONSULTING TO 9475713128972548 P.18

JAN 15 '93 13:19 PAGE.018

Q14. Would you say your organization's need for Downsizing initiatives is:

Growing rapidly	1
Growing a little	2
Remaining stable, or	3
Declining	4

Q15. Would you say your organization's need for Time-to-market initiatives is:

Growing rapidly	1
Growing a little	2
Remaining stable, or	3
Declining	4

Q16. Lastly, which of the following describes your firm's primary industry?

Agriculture	11
Manufacturing (specify)	12
Communications	13
Financial/Insurance	14
Healthcare/Hospital	15
Mining	16
Service (SPECIFY)	17
Transportation	18
Utility	19
Wholesale (SPECIFY)	20
Government	21
Other (SPECIFY)	97

FEB-03-1992 09:33 FROM MERCER MNGMT CONSULTING TO 94757131250/2548 P.19
JAN 15 '93 13:19 PAGE.019

/ / / /

That is all the questions I have. Thank you *very much* for your time and cooperation.

VERIFY.

NAME: _____

COMPANY: _____

LOCATION ADDRESS: _____

CITY/STATE/ZIP: _____

TELEPHONE #: _____

INTERVIEWER/DATE: _____

CODER: _____

LENGTH OF INTERVIEW: ___/___
0

4757-7-S1Mgm/01-92
Reengineering Quest

RECORD FINANCIAL SUB-INDUSTRY GROUP

Insurance 1
Retail Financial/Banking 2
Financial Markets 3

RECORD GOVERNMENT SUB-INDUSTRY GROUP

State and Local:

Social Services/labor (i.e. welfare,children, health and human services, etc.) 11
Tax and Revenue 12
Transportation 13
Corrections 14
Courts 16
Education 17
Environmental 18

Federal:

Defense 19
Social Services/Labor (i.e. welfare, children, health & human services) 20
Tax & Revenue 21
Education 22
Environmental 23

FEB-03-1992 09:33 FROM MERCER MNGMT CONSULTING TO 9475713125072548 P.21
JAN 15 '93 13:20 PAGE.021

RECORD HEALTHCARE SUB-INDUSTRY GROUP

Hospital 1
Managed Health Care 2

RECORD PRODUCTS SUB-INDUSTRY GROUP

Airlines 1
Aerospace/Defense 2
Food/Food Retailers 3
Retailing/Wholesaling 4
Energy 5
Process Mfg. 6
Repetitive/Discreet Mfg. 7

RECORD UTILITIES SUB-INDUSTRY GROUP

Gas 1
Water 2
Electric 3

ANDERSEN CONSULTING
ARTHUR ANDERSEN & CO, S.C.

69 West Washington Street
Chicago, Illinois 60602
(312) 580-0069

PURSUE

January 5, 1993

Mr. G. Christopher Smith
Vice President, Sales & Marketing
INPUT
Atrium at Glenpointe
400 Frank W. Burr Blvd.
Teaneck, NJ 07666

Dear Mr. Smith:

Andersen Consulting is interested in conducting marketing research in order to develop a positioning strategy for a practice area, Application Management, within our firm. Attached you will find a description of the scope and other specifics for the proposed project.

I am contacting you seeking a proposal to conduct both the qualitative and quantitative phases of this project. In the proposal, I would like costing and timing specifics to be separated for both the qualitative and quantitative phases.

Timing for the project is crucial. We are planning to begin the qualitative research by January 18, with a final report by February 22. The quantitative research needs to be complete by March 31. Some overlap can occur between the qualitative and quantitative phases.

Please review the attached project description and respond back with a proposal to me by Friday, January 8. I can be reached at (312) 507-5666 or by FAX at (312) 507-2548. Please do not hesitate to call me if you have any questions. I look forward to hearing from you.

Sincerely,

Scott Morrison

Scott C. Morrison
Andersen Consulting

attachment: RFP

cc: Teresa L. Poggenpohl
Janice Kriegman

50-100K

8K/focus grp

Application Management Research

BACKGROUND

Our Application Management practice needs marketplace information in order to develop a positioning strategy that will ultimately drive a communication strategy and main messages. Marketing research has been proposed to answer some fundamental questions about Application Management services and related topics.

Application Management is defined as the services we provide to manage the full life cycle of our client's application(s) in a contractual arrangement where we enter into a partnership with the client and have specific accountability for predetermined levels of service and results.

RESEARCH OBJECTIVES

In order to develop a unique positioning for Andersen Consulting in this arena we need to explore the following areas:

Market Information

- Identify market size
  - -- in total
  - -- by industry
  - -- legacy systems vs. new application development
  - -- for mainframe, client/server and midrange
- Explore "application management" as a term as well as other jargon
- Determine growth potential for this service line
- Explore pricing - commodity issues as an entree to getting business

Competitor Information(including Andersen Consulting)

- Develop competitor profile/matrix
  - -awareness
  - -strengths/weaknesses
  - -capabilities
  - -market positioning

Andersen Consulting Information

- Determine credibility of Andersen Consulting as a player in this market

Buyer Information

- Identify buyer values and service benefits
- Explore the decision-making process

Positioning/Communication Strategy

- Identify leverageable difference for Andersen Consulting

- Explore various communication strategies/key messages

KEY ISSUES

It is important that we are able to identify differences/similarities by industry. Key industries of interest are Products, Financial Services, Government, Healthcare, Telecommunications and Utilities. See attachment.

State

RESEARCH ALREADY COMPLETED

The following primary and secondary research has already been completed:

- Internal primary research among 11 partners exploring the application management market, the sales cycle and Andersen Consulting's capabilities
- Secondary literature search on the topic of application management
- Secondary review of competitor credentials materials that identified capabilities, market positioning, marketing strategies and key messages

RESEARCH PLAN

Qualitative and quantitative research is required among the following target audiences:

- Senior IS executives
  - –CIO
  - –MIS Director
- Senior Function Heads
  - –VP Manufacturing
  - –VP Operations
  - –VP Sales
  - –CFO/VP Finance
  - – etc. (see attachment for a more exhaustive list of titles)
- CEO

Organization size requirements and title requirements are provided by industry on the attachment.

how many (4)

Plans currently call for focus groups among senior IS executives and function heads with a 50/50 split, and depth interviews among CEO's. A further quantitative study is necessary among senior IS executives and function heads with a 50/50 split (approx. 150-200 telephone interviews).

TIMING

This research program needs to be undertaken on a very tight time frame - results are needed as soon as possible. Proposals need to be returned to me via fax at 312-507-8111 or 312-507-2548 or via Federal Express to Andersen Consulting, 69 West Washington, Room 3322, Chicago, Illinois, 60602 by Friday , January 8. Please call me at 312-507- 5666 should you have a problem meeting this deadline.

Application Management Research
Kickoff Meeting with INPUT
Monday, January 18, 1993 - Noon
Agenda

1. Introduction
2. Project Background
3. Objectives of the Research
4. Review of Proposal
5. Project Schedule
6. Qualitative Segment
   - Screening Criteria
   - Topic Guide
   - Quotas
   - Contact/Status Reports
   - Execution of the Groups
     - Video
     - Food
     - Attendance – Janice, Scott – all
   - Analysis/Final Report/Presentation

Teresa – NY
+ Partner

7. Quantitative Segment
   - Screening Guide → evolution
   - Survey Instrument
   - Quotas
     - Industry
     - Size
     - Title
     - Geography
   - Fieldwork Briefing
   - Fieldwork
     - Contact/Status Reports
     - Monitoring
   - Topline Findings
   - Data Tables
   - Analysis/Final Report/Presentation

INPUT – facts
INPUT – MBT implicat
Andersen – implications

? [CI]

8. Approval Process
9. Budgets
   - Initial Billing
   - Regular Expense Tracking
10. Next Steps

Confidentiality

ANDERSEN CONSULTING
Arthur Andersen & Co., S.C.

INTEROFFICE
CORRESPONDENCE
Form 0-119-C (05/90)

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To CHICAGO-69W

Office
From CHICAGO-69W

Circulate Noted
_____ ___
_____ ___
_____ ___
File Instructions
_____ ___
Acknowledgment Copy

For TERESA L. POGGENPOHL

From SCOTT C. MORRISON

Date August 31, 1992

Job or
Account No.
By _____

Subject AWARENESS TRACKING RESEARCH - WAVE 9

The purpose of this memo is to update you regarding the Awareness Tracking Research - Wave 9 project. Below you will find the summary of successfully surveyed respondents as of August 31. I have also attached a detailed list of those respondents.

PERCENTAGE OF WORK DAYS ELAPSED: 100%
PERCENTAGE OF QUESTIONNAIRES COMPLETED (GOAL - 200): 100%

	TOTAL COMPLETED	GOAL
INDUSTRY:		
PRODUCTS	102	100
FINANCIAL SERVICES	66	66
UTILITIES	21	20
TELECOM	7	8
HEALTHCARE	4	4
GOVERNMENT	3	2
TOTAL	203	200
COMPANY SIZE (REVS):		
$250M - $499M	22	20
$500M - $999M	33	50
$1B - $4.99B	100	100
$5B - $9.99B	22	20
$10B+	26	10
TOTAL	203	200
FUNCTIONS:		
MIS/CIO	105	100
FUNCTION HEADS	96	100
CEO/PRES	2	0
TOTAL	203	200
GEOGRAPHY:		
CENTRAL	64	56
NORTHEAST	49	50
SOUTH	54	60
PACIFIC	36	34
TOTAL	203	200

TERESA L. POGGENPOHL

August 31, 1992

Re: AWARENESS TRACKING RESEARCH - WAVE 9

	TOTAL COMPLETED	WAVE 8
FORTUNE 1000:		
INDUSTRIAL 500	36	25
SERVICE 500	48	42
NEITHER	119	133
TOTAL	203	200
CLIENT COMPANY REPRESENTATION:		
CLIENT COMPANIES:	31	41
NON-CLIENT COMPANIES:	172	159
TOTAL	203	200

Topline results are expected to be available September 10. If you have any questions or concerns, please call me at x75666.

SCOTT C. MORRISON

Attachments

Copies w/o attachments: David S. Bassin
Allan J. Steinmetz

Andersen Consulting - Awareness Tracking Study Wave 9
Completed Interview Tracking Schedule (CITS)
As of August 31, 1992

New Index	Name	Job Title	Reports To Title Dept	Company Name	Company Size Resp excpt*	Quota Group	Region	Industry	Fort 1000	Client
1	Ron Ferner	V.P. of Mfg.	V.P. of Operations	Campbell Soup Co.	$7B Sales	Oper/Mfg.	Pacific	Products	M	
2	Robert Primavera	Dir. IS	Commis. Dept. of Admin.	Indiana Dept. of Admin.	$500M+ rev.	MIS	Central	Gov't.		
3	Dorn Dunaway	Admin of IS	CEO	Carle Clinic Assoc.	$250M+ sales	MIS	Central	Health		
4	Jay Pearson	Dir.MIS	CFO	E.A. Miller	$650M+sales	MIS	Pacific	Products		
5	Mike Bassett	CFO	CEO	E.A. Miller	$500M+sales	Finance	Pacific	Products		
6	John Stucky	VP Data Process.	VP of Operations	State Farm Life Ins.	$10B assets	MIS	Pacific	Financial	S	
7	Gary Hay	Sr. VP Mktg.	CEO	Cessna Aircraft Co.	$800M sales	Mrktg/Sale	Central	Products		
8	Frank Marth	Mgr. Corp. IS	CEO	Mack Trucks	$2B sales	MIS	N'east	Products		
9	Gary Putnam	Chief of IS Mgmt.	Asst. Admin. Director	US Bureau of Alcohol, Tobacco & Firearm	$350M rev.	MIS	N'east	Gov't.		
10	Lothar Hartman	VP Finance	President	Carl Zeiss Inc.	$300M sales	Finance	N'east	Products		
11	Raymond Beerman	Dir. MIS	COO	Jackson Memorial Hospital	$750M+ rev.	MIS	South	Healthcare		
12	Ron Eberhardt	Controller	President	Charley Bros. Division	$1B sales	Finance	N'east	Products		
13	Mr. Thomas English	VP MIS	President	Federal Mogul Corp.	$1.2B sales	MIS	Central	Products	M	
14	James Paul	CIO	CEO	Univ. Of VA Health Science Center	$400M+ rev.	MIS	N'east	Healthcare		
15	Bob Huff	IS Coordinator	President	Wayne Farms, Inc.	$500M rev.	MIS	South	Products		
16	Keith Howe	Controller	President	FMC Corporation Naval Sys.	$300M sales	Finance	Central	Products		
17	Thomas Nystrom	CFO	President	McNeil Pharm.	10B sales	Finance	N'east	Products	M	
18	Joe Frisbee	Dir. MIS	CEO	Lockheed Sanders Inc.	$750M sales	MIS	N'east	Products	M	
19	Wilburn Robinson	VP Finance	Chair. of Board	Sharon Steel Corporation	$450-500M rev.	Finance	N'east	Products		
20	Larry Idleman	VP Operations	EX. VP Corporate	Illinois Power Co.	$1.5B sales	Oper/Mfg.	Central	Utilities	S	Y
21	Michael Kingsbury	CIO	CFO	Scripps Memorial Hosp.	$400M rev.	MIS	Pacific	Healthcare		
22	John Coleman	CIO	CFO	IBP, Inc.	$10.2B sales	MIS	Central	Products		
23	John Boltmer	CIO	CEO	Sky Chefs Inc.	$550M sales	MIS	South	Products		
24	Jerry Weissman	CFO	CEO	Empire Blue Cross	$7.5B rev.	Finance	N'east	Financial		Y
25	Dennis Hatley	Dir. MIS	VP Operations	ESCO Corp.	$250M+ rev.*	MIS	Pacific	Products		
26	John Rowlands	VP IS	CFO	Wash. Nat'l Gas Co.	$400M rev.	MIS	Pacific	Utilities		
27	Gail Bachman	Dir. MIS	CFO	Beech Aircraft	$1B sales	MIS	Central	Products		
28	Andy Bolt	CFO	CEO	Bidermann Ind Corp.	$500M sales	Finance	N'east	Products		
29	Robert Brill	VP Manufacturing	President	Beech Aircraft	$1B sales	Oper/Mfg.	Central	Products		
30	Mr. Richard Wells	VP Finance	Chair. of Board	Kohler Co.	$1B sales	Finance	Central	Products		
31	Vincent Lombardo	Dir. MIS	CEO	Travelers Ins.	$12B rev.	MIS	N'east	Financial	S	
32	Richard Jackson	Mgr. MIS	VP Finance	Davidson Int. Trim	$250M*	MIS	N'east	Products		
33	Wallace Miller	Dir. MIS	Sr.VP Finance	L and F Products	$1B sales	MIS	N'east	Products		
34	Clair Noll	VP IS	CFO	Penn. Power & Light Co.	$2.5B rev.	MIS	N'east	Utilities	S	
35	Gene Evans	Dir. IS	CFO	AE STanley Mfg. Co	$1B sales	MIS	Central	Products		
36	Richard Keenan	VP Mfg.	President	Concurrent Computer Corp.	$250M sales	Oper/Mfg.	N'east	Products		
37	Pat Steffen	Sr.VP Operations	President	Okidata Software Eng	$420M sales	Oper/Mfg.	N'east	Products		
38	Jack Longman	CIO	Exec. VP Corp.	Upjohn Co.	$3.5B sales	MIS	Central	Products	M	
39	Brian Kassidy	CFO	CEO	Krasdale Foods Inc.	$400M sales	Finance	N'east	Products		
40	Robert Scott	Dir. MIS	VP of Logistics and Mfg.	Steelcase, Inc.	$1.5B sales	MIS	Central	Products		Y
41	John Lawrisuk	CFO	President	Peoples GAs Light & Coke	$1B+sales	Finance	Central	Utilities		
42	Gary Sease	VP MIS	CEO	Servistar Corporation	$1.3B sales	MIS	N'east	Products		

Andersen Consulting - Awareness Tracking Study Wave 9
Completed Interview Tracking Schedule (CITS)
As of August 31, 1992

New Index	Name	Job Title	Reports To Title Dept	Company Name	Company Size Resp excpt*	Quota Group	Region	Industry	Fort 1000	Client
43	Richard Schwieter	Dir. MIS	Exec.VP of Corp.	Sorrento Cheese	$300M+sales	MIS	N'east	Products		
44	Philip Zuccaro	Exec.VP Finance	CEO	Sorrento Cheese Inc.	$350M sales	Finance	N'east	Products		
45	Angelo Macchia	Dir. MIR	President	FMC Corp/Naval Sys.	$350M sales	MIS	Central	Products		
46	Dan Terry	VP Mktg.	President	Grumman Corp.	$4.1B sales	Mrktg/sale	N'east	Products	M	
47	David Metzger	Dir. MIS	CFO	Mercury Marine	$2.2B sales	MIS	Central	Products		
48	John Patrick	Dir. MIS	CEO	Grocers Supply Co.	$1B* sales	MIS	South	Products		
49	Bernard Schumacher	VP IS	CFO	GAF Corporation	$1B sales	MIS	N'east	Products		
50	Mr. Carroll Hermanson	Dir. MIS	Asst. VP/Treas.	FDL Foods	$750M sales	MIS	Central	Products		
51	James Corbitt	Sr. VP IR Ala. Power	CIO of Southern Co.	Alabama Power	$2B rev.	MIS	South	Utilities		Y
52	William Halton	Pres. Chevron IT Co.	CFO-Chevron Corp.	Chevron Corp.	$1B sales	MIS	Pacific	Products	M	
53	Joe Wilson	SVP Finance	President	Grumman Cor/Aircraft Sys. Div.	$2B sales	Finance	N'east	Products		
54	Jean-Marc Andral	Dir. MIS	Sr.VP of Med. sys. Div.	GE Medical Sys. Group	$3.7B sales	MIS	Central	Products		
55	Raymond Payne	CIO	CFO	Anheuser Busch Co., Inc.	$11B sales	MIS	Central	Products	M	
56	John Tremse	CIO	Exec. VP of Corp Tech	Miles Inc	$6.2B sales	MIS	N'east	Products	M	
57	Bill Gardner	Dir. MIS	COO	Concurrent Computer	$250M sales	MIS	N'east	Products		
58	Frank Blackmore	VP IS	COO	Peoples Gas Light & Coke	$1.2B rev.	MIS	Central	Utilities		
59	Wayne Heschen	Sr. VP IS	EX. VP Corp.	St. Paul Companies	$12.9B assets	MIS	Central	Finance	S	
60	Dick Lund	VP IS	COO	Wausau Ins. Co.	$4B assets	MIS	Central	Finance		
61	Tim Daugherty	VP MIS	CEO	Farmland Industries	$4.6B sales	MIS	Central	Finance		
62	William Fowler	MIS Dir.	CEO	Lorilard Tobacco Co.	$2B sales	MIS	South	Products		
63	William Windham	VP IS	CEO	Southwest Gas Pipeline Inc.	$1B sales	MIS	South	Products		
64	Steve Stam	Dir. MIS	Dept. Commissioner	Sanitation Dept. NYC	$580M rev.	MIS	N'east	Gov't.		
65	Lawrence Jarvella	VP Finance	President	Jerome Foods	$300M sales	Finance	Central	Product		
66	Bryant Palbicke	MIS Dir.	CEO	Guess Corp.	$1B sales	MIS	Pacific	Product		
67	Robert West	VP IS	CEO	Fina, Inc.	$3.5B sales	MIS	South	Product	M	
68	Harry Kiesler	Dir IS	CFO	Everex Computer Sys.	$1B sales	MIS	Pacific	Product		
69	Scott Foos	CIO	CEO	American Home Foods	$1B sales	MIS	N'east	Product		Y
70	Ed Bacom	VP IS	Corp Controller	Waste Mgmt.	$8B sales	MIS	Central	Products	S	
71	Richard Fleager	VP IS	CFO	El Paso Nat'l Gas	$2B assets	MIS	South	Utilities		
72	Terry Johns	VP IS	COO	Jackson Nat. Life	$3B rev.	MIS	Central	Financial	S	
73	Jan Dittmar	VP Finance	COO	Transport Life Ins.Co.	$600M assets	Finance	South	Financial		
74	Sandra Rush	Dir. IS	Group VP of Corp.	Hughes Aircraft for Commercial flts.	$1Bsales	MIS	Pacific	Products		
75	Barry Ferrill	Dir IS	Asst. Comm. Fiscal Admin.	Water Dept. of Chicago	$300M sales	MIS	Central	Utilities		
76	Martin Tyson	Dir. IS	CEO	Burroughs Wellcome	$1.2B Sales	MIS	South	Product		
77	Ed Leopold	Sr. VP IS	CEO	Gen. ACC Ins. Co.	$2B rev.	MIS	N'east	Financial		
78	John Coman	Dir IS	CFO	Atlantic Richfield Co.	$22B sales	MIS	Pacific	Products	M	
79	Michael Gayoso	Controller	CEO	Wolf Creek Nuclear	$3B assets	Finance	Central	Utilities		
80	Phillip Dressler	VP IS	CFO	Zurich American Ins. Co.	$1.3B sales	MIS	Central	Financial		
81	Donald Loggen	CIO	Exec. VP of Communication and Resources	TRW, Inc.	$8B sales	MIS	Pacific	Product	M	Y
82	William Zimmerman	Dir. IS	GM Co.	Split Ball Bearing	$250M sales	MIS	N'east	Products		
83	Hal Tucker	VP Operations	Ex. VP of Corp.	Duke Power	$3.7B rev.	Mfg./Oper	South	Utilities	S	

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84	Patricial Moriarty	Sr. VP/Controller	President	First Wisc. Nat'l Bank	$4.3B assets	Finance	Central	Financial		
85	Berles Lee	Dir MIS	Controller	Export Leaf Tobacco Co.	$3B Sales	MIS	South	Products		
86	James Matsey	Corp. Dir. IS	CFO	Reynolds Metals Co.	$6B sales	MIS	N'east	Products	M	
87	Gary Tobiason	Dir. IS	Sr. VP - Dir. Admin.	Federated Mutual Ins. Co.	$750M sales	MIS	Central	Financial		
88	Paul Verhage	CFO	CEO	Sentry Insurance	$1.3B sales	Finance	Central	Financial		
89	Doris Kitchen	Sr. VP Mktg.	Exec. VP Planning & Devl	Household Credit Svcs.	$1B+sales	Mktg./sale	Pacific	Financial		
90	Bob Brown	Sr. VP Operations	EVP of Corp.	Fleet Bank of Mass.	$50B assets	Mfg./Oper	N'east	Financial		
91	John Becker	President	CEO	Firstar Corp.	$12B assets	President	Central	Financial	S	Y
92	Dick Brokenshire	EVP Op.	President	Dauphin Deposit Bank	$4.2B assets	Mfg./Oper	N'east	Financial		
93	Jack Buchanan	CIO	CEO	Cuna Mutual Ins.	$4B assets	MIS	Central	Financial		
94	William Dimoulas	VP IS	COB	Long Island Lighting Co.	$2.5B rev.	MIS	N'east	Utilities	S	
95	John Bukovski	CFO	COB	Commonwealth Edison	$6B+ sales	Finance	Central	Utilities	S	
96	Frank Carnella	Exec. VP IS	CEO	Texas Commerce Bank	$17B assets	MIS	South	Financial		
97	Alfred Griffith	Corp. Dir. IS	CEO	Rockwell Int'l /Rocketydyne Div.	$1B sales	MIS	Pacific	Products	M	Y
98	Phillip Smith	President	COB	First Wisc. Trust	$5B+ assets	President	Central	Financial		
99	Ray Murphy	VP IS	COO	Empire Blue Cross	$8B rev.	MIS	N'east	Financial		Y
100	Wm. Syn Woldt	VP IS	Sr. VP Finance	Niagra Mowhawk	$3.5B rev.	MIS	N'east	Utilities	S	
101	Jerry Wendt	Dir. MIS	CEO	Wells Dairy	$500M assets	MIS	Central	Product		
102	Brent Austin	CFO	COO	El Paso Nat'l Gas Co.	$700M sales	Finance	South	Utilities		
103	Robert Hunsted	EVP Corp. Operatio	COB	Minnesota Mutual Life	$6B assets	Mfg./Oper	Central	Financial	S	
104	Ronald Harmond	VP MIS	CFO	Panhandle Eastern Corp.	$3.2B rev.	MIS	South	Utilities	S	
105	Thomas Agee	VP IS	COB	Arkla Inc.	$4.9B assets	MIS	South	Utilities	S	Y
106	Steven Hatcher	CFO	COB	Union Central Life Ins.	$3.2B assets	Finance	Central	Financial		
107	Mary Burns	MIS Dir.	CFO	Cincinnati Milacron	$750M sales	MIS	Central	Products	M	
108	Les Clark	VP IS	CEO	Marion Merrell Dow, Inc.	$3.5B sales	MIS	Central	Products		
109	William Risch	Sr. VP Finance	CEO	Firstar Corp.	$12B assets	Finance	Central	Financial	S	Y
110	Robert Boyt	Sr. VP Finance	President	Citibank/Nevada	$2.4B assets	Finance	Pacific	Financial	S	
111	Joseph Poppel	Dir. MIS	President	Unisys Corporation	$10B sales	MIS	Central	Products	M	
112	William Ayscue	VP Mfg.	President	Fieldcrest Cannon Inc.	$1.2B sales	Mfg./Oper	South	Products		
113	Bartholemew Byerley	Sr VP Finance	CEO	Lomas Financial Corp.	$1.5B assets	Finance	South	Finance	S	Y
114	Michael Gilley	Dir. MIS	Sr. VP Operations	Whitney National Bank	$2.85B assets	MIS	South	Financial		
115	Artis Boyd	Sr.VP MIS	CRO	First Union Corp.	$48B assets	MIS	South	Financial	S	
116	S. Holcom	CFO	CEO	United Svcs. Auto Assn.	$20B+ assets	Finance	South	Financial		
117	Daniel Pitcher	VP IS	President	Grange Insurance Co.	$750M sales	MIS	Central	Financial		
118	Larry Heemstra	CFO	President	Wells Dairy	$500M sales*	Finance	Central	Products		
119	Jim Zwick	Dir. Mktg.	President	AAA Auto Club of MI	$1.6B assets	Mktg/sales	Central	Financial		
120	Patrick Walsh	Sr. VP IS	Sr. VP Operations	National City Bank of Cleveland	$30B assets	MIS	Central	Financial		
121	Roger Philyaw	Sr. VP Mktg	CEO	Blue Cross Blue Shield of NC	$1.1B rev.	Mktg./sale	South	Financial		
122	Leonard Myers	VP IS	President	Southern Wine & Spirits	$1.2B sales	MIS	South	Products		
123	H.B. Keating	Dir. MIS	VP Corp.	Texas Utilities	$5B rev.	MIS	South	Utilities	S	Y
124	Dennis Hjerpe	Dir. MIS	President	Seagate Technology Inc.	$3B sales	MIS	Central	Products	M	
125	Kenneth Klotz	Dir. MIS	President	Pride Refining Inc.	$900M rev.	MIS	South	Products		

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126	Paul Petry	CFO	CEO	Connecticut Mut. Life Ins. Co.	$1.1B assets	Finance	N'east	Financial	S	
127	Max Hopper	CIO	CEO	American Airlines	$15B sales	MIS	South	Product	S	
128	Jim Baumgartner	Corp. VP Finance	CEO	Blue Cross of West Penn.	$1.2B rev.	Finance	N'east	Financial		Y
129	John Knutson	SVP Finance	COB	Jackson National Life	$3B sales	Finance	Central	Financial	S	
130	Fred Gentile	CFO	Chief Grp. SVP of Corp.	Brooklyn Union Gas Co.	$1B rev.	Finance	N'east	Utilities		
131	Donald Morchower	COO	COB	Empire Blue Cross Blue Shield	$7B sales	Mfg./Oper	N'east	Financial		Y
132	Fred Schosky	CFO	CEO	Wheeling Pittsburg Steel Corp.	$1.1B sales	Finance	N'east	Products	M	Y
133	Chas Barrix	Dir. MIS	President	Martin Marietta	$1B sales	MIS	South	Products	M	Y
134	Bill Kuenemann	CIO	CFO	Bear Stearns Companies, Inc.	$2B assets	MIS	N'east	Financial	S	
135	Andrea Ferris	CFO	President	Life of America Ins.	$18B rev.	Finance	South	Financial		
136	Jim Works	EVP Mktg.	President	Transport Life Insurance	$385M sales	Mktg/sales	South	Financial		
137	Ron Baker	SVP IS	EVP of Corp.	Connecticut Mutual Life Ins.	$8B assets	MIS	N'east	Financial	S	
138	Z Rasmid	CFO	President	American General Life	$5B assets	Finance	South	Financial	S	
139	Ronald Langford	SVP Finance	EVP of Corp.	Federal Reserve Bank	$2B assets	Finance	N'east	Financial		
140	Alan Jones	CIO	CEO	Tektronix, Inc.	$1.4B sales	MIS	Pacific	Product	M	
141	RBT. Schneider	CFO	President	New England Ins. Co.	$17B assets	Finance	N'east	Financial		
142	Neil Goodrum	CIO	CEO	Amer. Genl. Life Ins.	$4.5B rev.	MIS	South	Financial	S	
143	Phillip Larsen	VP MIS	CEO	National Semiconductor	$1.8B sales	MIS	Pacific	Products	M	
144	Kenneth Hogberg	EVP Finance	CEO	Citizens Financial Group	$4.5B assets	Finance	N'east	Financial		
145	William H. Rogers	SVP Corp. Finance	President	SunTrust Banks Inc.	$35B assets	Finance	South	Financial	S	
146	Henry Nishihara	SVP Info Sys.	CFO	Bancorp Hawaii, Inc.	$11B assets	MIS	Pacific	Financial	S	
147	Charles Klapheke	SVP MIS	EVP Operations	First Union Corp.	$49B assets	MIS	South	Financial	S	
148	Timothy Meier	SVP IS	EVP Operations	US Bank of Oregon	$20B assets	MIS	Pacific	Financial		
149	Lloyd Rinehart	EVP MIS	CFO	First Gibraltar Bank	$9B assets	MIS	South	Financial		
150	Rbt. Canthen	SVP Mktg.	President	American General Life	$5B assets	Mktg./sale	South	Financial	S	
151	Bob Dickey	CFO	CEO	Safeco Corp.	$11B assets	Finance	Pacific	Financial	S	
152	Dave Moore	SVP Operations	President	American Fidelity Group	$1B assets	Mfg./Oper	South	Financial		
153	Don Grantham	VP Mktg/Sales	Corp VP of Planning & Dev	Coulter Corp.	$1B rev.*	Mktg/sales	South	Products		
154	Dave Browning	Dir. MIS	CEO	Conoco	$1B+ sales	Mfg./Oper	South	Products		Y
154	Ben Medley	VP Operations	EVP Corporation	E Systems	$2B+ sales	Mfg./Oper	South	Products	M	
156	Barbara Cabsalis	EVP of Bank Operati	COB	Chemical Bank	$131B assets	Mfg./Oper	N'east	Financial	S	Y
157	Gaige Paulsen	CIO	CEO	Ashland Oil	$10B sales	MIS	Central	Products	M	
158	John Windlad	SVP sales	COB	American Fidelty	$1B assets	Mktg/sales	South	Financial		
159	Ray McGowan	VP Sales/Mktg.	Corp. VP	Sonoco Products Co.	$1.8B sales	Mktg/sales	South	Products	M	
160	Robert Keane	VP Mktg.	President	Hanover Ins. Co.	$3B sales	Mktg./sale	N'east	Financial	S	
161	Heidi Robertson	Dir MIS	SVP Corp.	Transamerica Inv.	$10B assets	MIS	Pacific	Financial	S	
162	Liz Vasaar	CIO	CEO	Transamerica Life	$20B+ assets	MIS	Pacific	Financial	S	
163	Nancy Fletcher	VP IS	VP Human Resources	Provident Life & Acc.	$14.8B assets	MIS	South	Financial	S	
164	Patick Kenzie	Dir. MIS	CEO	Texas Eastman Corp.	$1B sales	MIS	South	Product		
165	Gene Sherman	VP Mktg	EVP Prod. & tech support	Pacific Bell	$9B sales	Mktg/sales	Pacific	Telecom		Y
166	Gerald Durad	VP MIS	EVP of Corp.	Norfolk Southern Co.	$4.5B rev.	MIS	South	Products	S	
167	Gary Derbin	Dir. MIS	Dir. Admn. Svcs.	American Express	$8B assets	MIS	South	Financial	S	

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168	Ray Priore	VP Info Systems	SVP Corp.	Consolidated Edison	$5B+ Revs.	MIS	N'east	Utilities	S	
169	Mike Sheehan	VP Sales	CEO	National Beef Packaging Co,Inc.	$1.1B sales	Mktg/sales	Central	Products		
170	Rita Duarte	SVP Mktg	CEO	Health-Net	$1.2B assets	Mktg/sales	Pacific	Financial		
171	Richard Bresnaham	Dir. IS	CEO	Washington Public Power Supply	$700M rev.	MIS	Pacific	Utilities		
172	Ralph Cote	SVP IS	EVP of Corp.	Commercial Union Ins.	$1.4B assets	MIS	N'east	Financial		
173	Jack Kucsur	SVP Mktg.	CEO	Allen Bradley Co/Ind.Control Div.	$500M sales	Mktg/sales	Central	Products		
174	Jim Moran	COO	CEO	Fingerhut	$1.9B rev.	Mfg./Oper	Central	Product		Y
175	Richard Barns	VP Mktg.	President	Pilgrims Pride	$1B sales	Mktg/sales	South	Product	M	
176	Tom Culligan	VP of Mktg./Prod. I	COB	McDonnell Douglas	$19B sales	Mktg/sales	South/N'e.	Products	M	Y
177	Lee Kuemanski	CFO	President	Ameritech	$10B rev	Finance	South	Telecom	S	Y
178	Bret Mayo	Dir. IS	CVP Finance	Penzoil Co.	$2.5B sales	MIS	South	Products	M	Y
179	Glen Schafer	CFO	President	Pacific Mutual Life	$2B rev.	Finance	Pacific	Financial	S	
180	James Teichman	VP Sales & Mktg.	President	PharMor Inc.	$3B sales	Mktg/sales	Central	Products		
181	Mike Wheeler	CFO	CEO	HyVee Food Stores	$2.2B sales	Finance	Central	Products		
182	Stu Johnson	Pres. Operations - Regulatory Services	CEO	Bell Atlantic	$4B sales	Mfg/Oper.	N'east	Telecom.	S	Y
183	Gary Stagman	CFO	CEO	Amercan Family Life Ins.	$975M sales	Finance	South	Financial	S	
184	Xina Kojzar	Dir MIS	VP Marketing	Bell Atlantic	$10B sales	MIS		Telecom	S	Y
185	Bill Young	VP Marketing	CEO	Assoc. Grocers Inc.	$1.1B rev.	Mktg/sales	Pacific	Products		
186	John Sanders	VP Engineering	President,N.A. Operations	Otis Elevator Co.	$4B sales	Mfg/Oper	Central	Products		
187	Michael Martin	VP Manufacturing	COO	Pilgrims Pride	$800M sales	Mfg./Oper	South	Products	M	
188	George Langford	EVP Sales	CEO	Affiliated Foods Inc.	$500M sales	Mktg/sales	South	Products		
189	Arthur Kesselhaut	EVP Operations	COB	Pacific Mutual Life Ins.	$10B assets	Mfg/Oper	Pacific	Financial	S	
190	William Ulrich	EVP Operations	President	US Bancorp	$18B assets	Mfg/Oper	Pacific	Financial	S	
191	Larry Britton	VP Mktg.	CEO	Citgo Petroleum Corp.	$10B sales	Mktg/sales	South	Product	M	Y
192	Steve Schmidt	SVP Operations/Eng	CEO	American Presidents Line	$1.7B rev.	Mfg/Oper	Pacific	Products	S	Y
193	Dr. Denny Thomas	SVP Mfg. Craft Div.	CEO Westvaco	Westvaco (Craft Div.)	$2.35B sales	Mfg/Oper	South	Products	M	
194	Steve Biondo	VP Strategic Plannin	President	Spartan Strides Inc.	$2.1B sales	Mktg./Sale	Central	Products		
195	Dick Ralston	VP Mfg.	EVP Operations	Storage Technology	$1.5B sales	Mfg/Oper	Pacific	Products	M	Y
196	Joe C. Cook Jr.	Group VP Mfg/Eng.	CEO	Eli Lilly	$6B sales	Mfg/Oper	Central	Products	M	Y
197	Mr. William Flanagan	SVP Mfg.	President	Amdahl Corporation	$2.1B sales	Mfg/Oper	Pacific	Products	M	
198	Joseph Muse'	VP Mktg	CEO	General Dynamics	$700M rev.	Mktg/sales	Pacific	Products	M	Y
199	Al Lutter	SVP Mktg.	CEO	National Steel & Shipbuilding	$1.5B assets	Mktg/sales	Pacific	Products	M	
200	Al Babb	EVP Operations	President	Adolph Coors	$1.6B sales	Mfg./Oper	Pacific	Products	M	
201	Don Goens	VP Finance	President	Illinois Bell	$3B sales	Financial	Central	Telecom		
202	Jim Wallace	VP. Sales & Service	President	Wisconsin Bell	$1B sales	Mktg/sales	Central	Telecom		
203	James Granger	VP Mktg	President	United Tel. of Florida	$999M rev.	Mktg/sales	South	Telecom		